

## OPEN ENROLLMENT

It is **important** to review the entire contents of this brochure as you may want or need to make health insurance plan changes. Benefit elections and changes will become effective January 1, 2006.

### What you need to know...

- Open Enrollment starts Oct. 3 and ends Oct. 28.
- Your current ASRS benefit elections **will automatically** carry forward to 2006, unless you make a change in plan coverage.
- There will be no change in insurance carriers for 2006.
- Monthly medical plan premiums will not change.
- There will be benefit improvements to PacifiCare's Senior Supplement and Medicare Advantage Plans (see page 2).
- The Freedom Advance dental plan's maximum annual benefit will increase from \$2,000 to \$2,500.
- Please see "Who Should Complete a 2006 Enrollment Form?" on pages 7 - 8.
- Open Enrollment meetings are scheduled (see pages 13 and 14).

# 2006 Group Insurance Open Enrollment Brochure



Medical

Medical



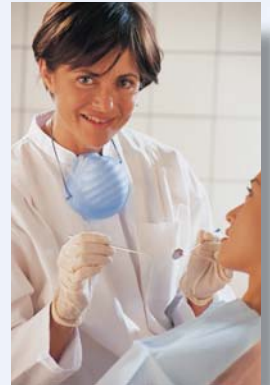
Fitness

Fitness



Prescription Drugs

Prescription Drugs



Dental

Dental



Medicare

Medicare





## ARIZONA STATE RETIREMENT SYSTEM

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Dear Retired Member:

This brochure is intended to assist retired members of the Arizona State Retirement System (ASRS), Public Safety Personnel Retirement System (PSPRS), Corrections Officer Retirement Plan, Elected Officials' Retirement Plan, and the University Optional Retirement Plans in making informed decisions about participating in the ASRS retiree health care program during this open enrollment period.

The information contained in this brochure explains, in summary fashion, the benefits of enrolling in the ASRS retiree health care program. The ASRS program includes choices of medical and dental plans, a prescription discount drug card applicable to all retirees whether or not enrolled in the ASRS program, and the SilverSneakers fitness program. There are other useful and important topics also covered in this brochure such as premiums for the insurance plans, explanation of the Premium Benefit Program, an overview of your Medicare benefits, various worksheets, and instructions on how to complete the enrollment process.

As you read this brochure, you will see that many positive changes have occurred in the ASRS retiree health care program that will become effective on January 1, 2006. For example, during 2005, the ASRS received bids on its retiree dental benefits program; Medicare will inaugurate its new prescription drug program; the ASRS Medicare Advantage Plan will become a new option in two additional rural counties; and, Senior Supplement Plan subscribers will see a new plan name, Secure Horizons Direct, with enhanced prescription drug coverage. All of these changes are designed to make the ASRS retiree health care program more affordable, accessible and to take advantage of the latest innovations and opportunities the current health care landscape can provide.

This year's open enrollment period will occur from October 3 through October 28, 2005. This open enrollment packet contains all you need to make informed decisions about the medical and/or dental plans in which you are currently enrolled. If you are not currently enrolled through the ASRS, this packet will help you choose the health insurance coverage most suitable for you. Your selection(s) will become effective January 1, 2006.

As always, if you have questions about any aspect of your retirement benefits or your retiree health care plans, an ASRS Benefits Advisor in our Member Services Division is available to respond to your questions and concerns. Likewise, assistance may be received from the Public Safety Personnel Retirement System staff if you are a retiree of that retirement system or the Corrections Officer or Elected Officials retirement plans. Phone numbers and Web-site addresses are listed on the inside back cover of this brochure.

Sincerely,

Paul Matson  
Director



# Table of Contents

Improvements, Changes and Important Information	1-2
2006 ASRS Enrollment at a Glance	3-4
How to Complete Your 2006 Enrollment Form	5-6
About This Brochure	6
Overview of 2006 Retiree Group Health Insurance Program	7-12
Health Insurance Open Enrollment Meetings	13-14
Cost of Coverage	15-16
Calculating Your Monthly Health Insurance Cost	16-17
Retiree Health Insurance Premium Benefit Program	18
Additional Temporary Premium Benefit Amounts	19-20
ASRS Retiree Medical Plans	21-32
What Medical Plan am I eligible for?	22
Becoming Medicare Eligible	23
Comparison of Benefits	24
2006 Medicare Eligible Retiree Benefits Comparison Chart	25-26
2006 Non-Medicare Eligible Retiree Benefits Comparison Chart	27-29
Statement of Understanding (SOU)	30
Secure Horizons Disenrollment Form	31
Understanding Your Prescription Drug Benefit	31-32
ASRS Retiree Dental Plans	33-36
Important Things to Consider When Making Your Dental Coverage Election	34
Assurant Dental Plan Comparison Chart	35-36
Assurant Vision Service Plan Discount Benefit	37
ScriptSave, Your Prescription Drug Discount Card Program	38
Your Medicare Benefits	39-40
The SilverSneakers Fitness Program	41-42
PacifiCare's Caregiver Program	43-44
Pension Checks	45
Your Pension Check, Health Insurance Premiums and Premium Benefit	45
**** Copy of an ASRS Pension Check ****	46
Glossary	47-50
Frequently Asked Questions	50-55
Senior Supplement Plan Notice of Change	56-57
Telephone Numbers & Websites	Inside Back Cover



# Improvements, Changes and Important Information Regarding the 2006 ASRS Retiree Health Care Program

## PacifiCare will merge with UnitedHealth Group

### **What does this mean for ASRS retired and disabled members enrolled in PacifiCare's health insurance plans?**

In the short term, PacifiCare's merger with United will have no effect on ASRS retiree medical plans, provisions or premiums. The ASRS has a 2-year agreement with PacifiCare to provide to our retired and disabled members affordable and accessible medical plans that constrain costs. Our agreement extends through December 31, 2006, and the ASRS expects no change in that agreement. In the long term, the ASRS contract with PacifiCare terminates December 31, 2009, if the ASRS wishes to negotiate and extend the contract after the 2006 plan year. From a business-model standpoint, this merger is beneficial to both PacifiCare and United. As a result, ASRS does not expect our retiree medical plans to be negatively impacted by this action.

## Fortis Benefits (Assurant) is awarded new dental plans contract

The ASRS Board voted to accept the recommendation of the all-retiree Health Insurance Advisory Committee to continue its contract with Assurant Employee Benefits (formerly Fortis Benefits) at its August 19, 2005 public meeting. The new contract freezes dental premiums for the low option indemnity dental plan for 2006 and for the pre-paid plans for 2006 and 2007. The Board approved an increase in the maximum annual benefit in the high option indemnity dental plan from \$2,000 to \$2,500 with a 1% increase in premium. Please see pages 33 through 36 for greater detail of Assurant's dental plans.

## The Medicare Modernization Act (MMA) of 2003

The MMA authorizes the Centers for Medicare and Medicaid Services (CMS) to provide prescription drug coverage to eligible seniors and disabled individuals beginning January 1, 2006. CMS has begun mailing notices to its eligible population informing them of this new prescription drug benefit and requesting of them to consider enrolling in the new Part D coverage.

Every Medicare eligible ASRS retired or disabled member enrolled in PacifiCare's Medicare Advantage Plan or Secure Horizons Direct (formerly the Senior Supplement Plan) will not have to enroll in Part D because enrollment in either PacifiCare Medicare eligible plan automatically enrolls you in Part D. And, PacifiCare will even pay your Part D premium. Please see pages 21 through 29 for greater detail of PacifiCare's plans and how they will benefit you.

## Coconino and Yavapai Counties will have the Medicare Advantage Plan

Medicare eligible retirees living in Coconino and Yavapai Counties will have the opportunity to enroll in the Medicare Advantage Plan during this open enrollment period. Monthly premiums will be \$199 for single coverage and \$398 for family coverage. With the assistance of the premium benefit program, net premiums will be \$99 for single coverage and \$228 for family coverage for a retiree with at least 10 years of credited service. With the implementation of the Medicare Advantage Plan, Medicare eligible retirees having in Coconino and Yavapai Counties will lose the rural subsidy on January 1, 2006. Please see pages 21 through 29 for greater detail of PacifiCare's plans.

## The Senior Supplement Plan will change its name and prescription drug coverage will increase

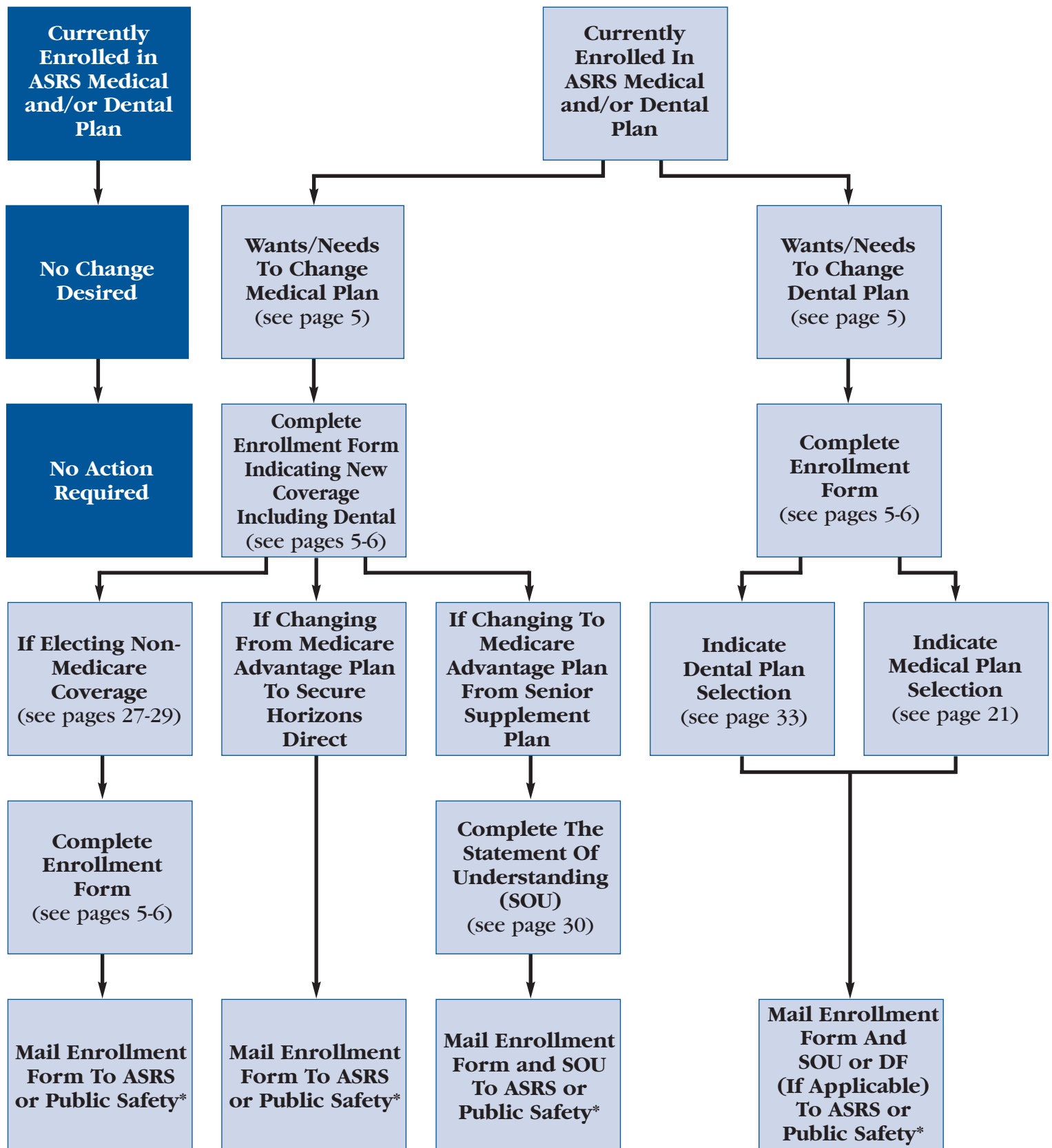
In order for PacifiCare to enhance its prescription drug coverage in the Senior Supplement Plan, the plan will change its name to Secure Horizons Direct. This name change and resulting reconfiguration of plan benefits and provisions allows PacifiCare to offer expanded prescription drug coverage. The maximum annual prescription drug benefit will increase from \$2,000 to \$2,250 effective January 1, 2006. Also, the benefits, exclusion and limitations remain unchanged from the Senior Supplement Plan. Please see pages 21 through 29 for greater detail of PacifiCare's plans.

## ADOA is Changing its Plan Year

Normally ADOA's plan year is October through September. This year, ADOA will coordinate its open enrollment for their enrolled retired members to coincide with the ASRS' open enrollment period (October 3 through October 28). ADOA's plan year will change to January through December effective January 1, 2006. ADOA, PSPRS, EORP and CORP retired and disabled members will also receive their open enrollment packets during the latter part of September, 2005.

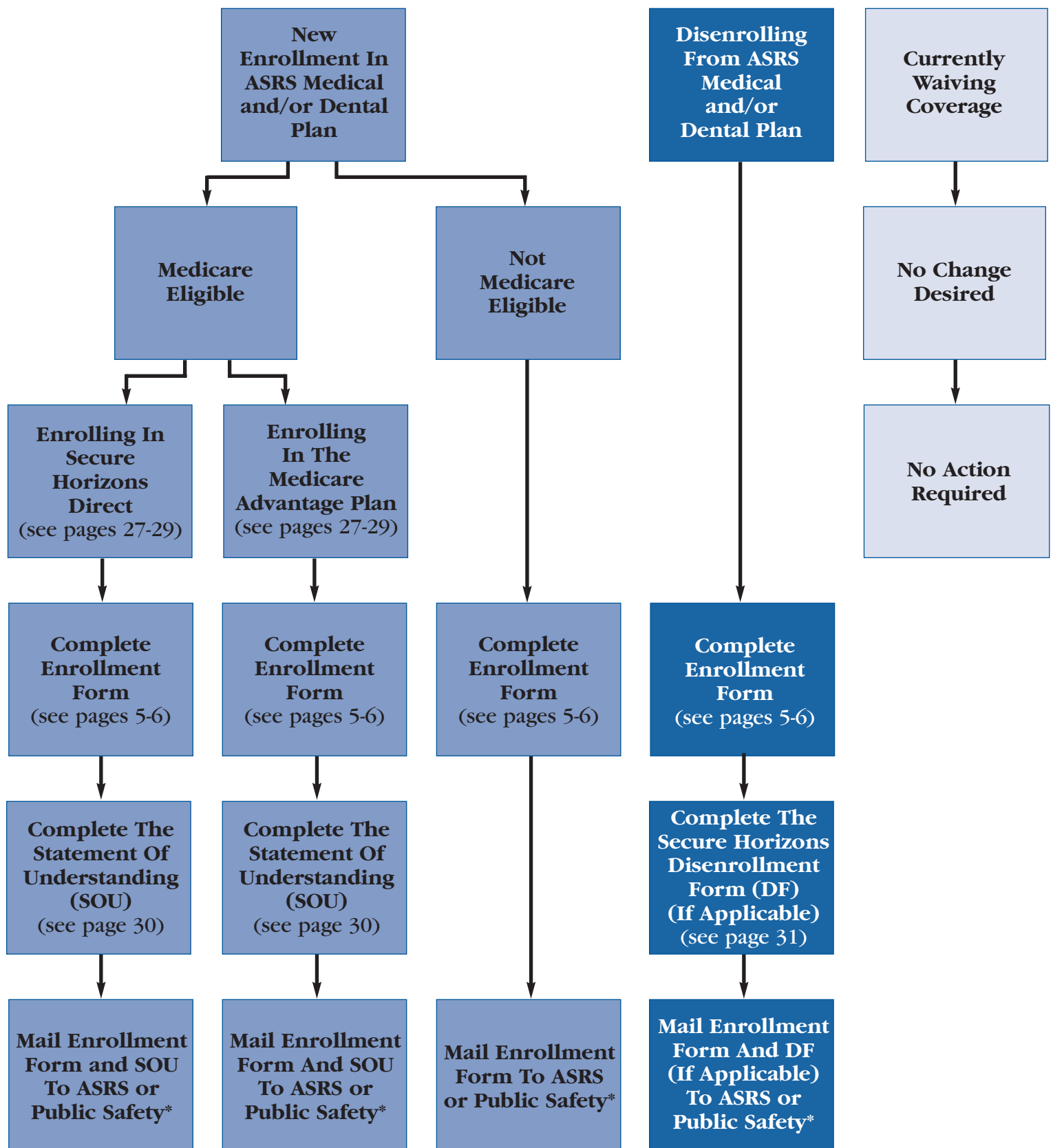
At the time this brochure was printed, ADOA had not published its premiums for their retiree health care plans for 2006. As a result, and unlike previous years, ADOA's retiree plans premiums will not be found in this brochure for this open enrollment. ADOA enrolled retired members will have to review ADOA's open enrollment packet for premium information.

# ASRS 2006 Open



\*Mail enrollment form to Public Safety **only** if you are a member of PSPRS, CORP, or EORP.

# Enrollment At A Glance



\*Mail enrollment form to Public Safety **only** if you are a member of PSPRS, CORP, or EORP.

# How to Complete Your 2006 Enrollment Form

**Your current ASRS benefit elections will automatically carry forward to 2006, unless you make a change in plan coverage. If you need or want to make a change, you *must* complete the form if you want to be covered by the ASRS retiree health care plans. Submission of a properly completed enrollment form is required if you:**

- are electing a different medical plan,
- are electing a different dental plan,
- are adding or deleting dependents,
- are declining coverage,
- are a new enrollee with the ASRS,
- become Medicare eligible in January, 2006, or
- move your primary residence which would cause a change in health care plan eligibility.

## Section 1

- Effective date - for open enrollment is January 1, 2006.
- Check box next to open enrollment.
- If you do not want ASRS medical coverage - check Decline Medical Coverage.
- If you do not want ASRS dental coverage - check Decline Dental Coverage.
- Check box that applies: Retired, Disabled, Survivor.

## Section 2

- This is the section to provide your name, social security number, address, etc.

## Section 3

- If you are enrolling, indicate which Medical Insurance Plan you are electing.

## Section 4

- If you are enrolling, indicate which Dental Insurance Plan you are electing.
- Prepaid Dental Plans only-include Dentist ID# from Assurant's Provider Directory.
- If you are unsure what to include, please contact Assurant at 1-800-443-2995.

## Section 5

- List yourself and all other eligible individuals you are including as dependents.
- For HMO and Medicare Advantage Plan only-indicate the names of the Primary Care Physician and Network you are choosing. These are listed in the PacifiCare Provider Directories. If you are unsure what to list, please contact PacifiCare at 1-800-347-8600.

## Section 6

- Sign and date the form.
- **KEEP THE GREEN COPY FOR YOUR RECORDS.**

# How to Complete Your 2006 Enrollment Form Continued

## ADDITIONAL INFORMATION YOU *MAY* NEED TO PROVIDE

- If you are enrolling for the first time in the ASRS Medicare Advantage Plan or Secure Horizons Direct Plan complete the Statement of Understanding. (See page 30)
- If you are enrolling for the first time in either ASRS Medicare plan, you need to provide a **copy of your Medicare card** along with your enrollment form.

- If you are terminating your Medicare Advantage Plan or the Secure Horizons Direct Plan, complete the Secure Horizons Disenrollment Form. (see page 31)

**IF YOU ARE ENROLLING FOR THE FIRST TIME OR ARE MAKING A CHANGE, YOUR COMPLETED ENROLLMENT FORM MUST BE RECEIVED NO LATER THAN October 28, 2005 OR YOU WILL NOT BE ENROLLED!**

## About This Brochure



About This Brochure

About This Brochure

Information provided in this brochure is intended solely as a guide to help you make important enrollment decisions.

The benefits described are highlights of the Arizona State Retirement System's (ASRS) retiree health insurance program.

This brochure constitutes a brief summary of the ASRS' official plan documents and contracts that govern the plans. If there is any discrepancy between the information in this brochure and the official documents, the official documents will always govern.

The Arizona State Retirement System reserves the right to change or terminate any of its plans, in whole or in part, at any time.

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# Overview of 2006 Retiree Group Health Insurance Program

*Please read this entire brochure carefully.*

The Arizona State Retirement System (ASRS) will conduct its 2006 retiree group health insurance program open enrollment beginning Monday, October 3, 2005, and concluding Friday, October 28, 2005. Coverage you select will become effective January 1, 2006. **The information in this brochure will assist you in making informed decisions about your health insurance coverage for 2006,** as well as prepare you for any **changes in deductions from pension checks or changes in premium amounts** billed to you beginning January 1, 2006.

## *Are there any changes in the health care plans offered by the ASRS for 2006?*

Yes, some ASRS medical and dental plans will change on January 1, 2006:

- Senior Supplement Plan's name will change to Secure Horizons Direct;
- Senior Supplement Plan's annual maximum prescription drug benefit increases to \$2,250;
- Medicare Advantage Plan will be available in Coconino and Yavapai Counties;
- Medicare eligible retirees living in Coconino or Yavapai Counties will lose the rural subsidy beginning January 1, 2006;
- Fortis Benefits, the ASRS dental provider, will change its name to Assurant Employee Benefits; and,
- The high option indemnity dental plan's maximum calendar year benefit will increase from \$2,000 to \$2,500.

## *Who is eligible to participate?*

Open enrollment applies to any retired member of the ASRS, Public Safety Personnel

Retirement System (PSPRS), Elected Officials' Retirement Plan (EORP), Corrections Officer Retirement Plan (CORP), University Optional Retirement Plans (UORP), or any member who is receiving a long-term disability (LTD) benefit from the ASRS program and who is not enrolled in health benefits through his or her former employer. Members or any eligible dependents who have not taken the opportunity to enroll previously in one of the ASRS group medical or dental plans also will be able to enroll.

If you are currently enrolled for retiree health insurance with your former employer, please contact them for specific employer-related enrollment information.

## *Who should complete a 2006 Enrollment Form?*

You **must** complete and return your 2006 Enrollment Form if you:

- are electing a different medical plan,
- are electing a different dental plan,
- are adding or deleting dependents,
- are declining coverage,
- are a new enrollee with the ASRS,
- become Medicare eligible in January 2006, or
- move your primary residence which would cause a change in health care plan eligibility.

If you fall into one of these categories, and you want medical and/or dental insurance through the ASRS during 2006, you **must** complete a 2006 Enrollment Form in its entirety and return it by October 28, 2005.

***Should every eligible member complete an enrollment form?***

This is **not** a positive re-enrollment of every member. **No action on the part of a retired member or LTD recipient is required if you:**

- **are already enrolled** with the ASRS in a medical and/or dental plan and do not wish to make any changes,
- **are not currently enrolled** for ASRS coverage and do not wish to enroll for coverage at this time, or
- **are enrolled in your former employer's** health insurance program and do not want to change to the ASRS coverage.

***Are you a retiree or LTD recipient enrolled in a health care plan provided by your employer?***

If you are enrolled in a Participating Employer's health care plan and you wish to become enrolled in the ASRS retiree health care program, you must complete a health insurance enrollment form and return it to the ASRS or PSPRS, if applicable, by close of the open enrollment period (October 28) to have your ASRS coverage effective on January 1, 2006.

You should be aware when your employer conducts their open enrollment so that your coverage with them does not lapse before your ASRS coverage begins. Also, if you are receiving your employer's health care program because of a COBRA event, you should be aware when that coverage terminates. You have a 31-day grace period upon termination of your employer's COBRA coverage to enroll in an ASRS health care plan.

If you fail to enroll with the ASRS in a timely manner you will have to wait until the next ASRS open enrollment period to complete a health insurance enrollment form and be eligible for the ASRS retiree health care program.

***After I enroll in an ASRS retiree health care plan, when can I expect to receive my ID cards?***

PacifiCare will mail your medical plan ID card(s) approximately 10 days prior to the first day of the month in which your medical plan becomes effective. Assurant also will mail your dental plan ID card(s) approximately 10 days prior to the first day of the month in which your dental plan becomes effective.

***I understand that PacifiCare's Medicare Advantage Plan will be introduced in Coconino and Yavapai Counties on January 1, 2006. What will be my premium if I wish to enroll in that plan?***

Medicare eligible ASRS retired members who live in Coconino and Yavapai counties will have a choice of medical plans effective January 1, 2006. PacifiCare will introduce their Medicare Advantage Plan in these counties with a monthly premium of \$199.00 (retiree only) and \$398.00 (retiree + 1). The provisions of this plan are identical to our current Medicare Advantage Plan applicable in Maricopa, Pima, Pinal and other eligible counties (see pages 25-26 for details of this plan). Also, Medicare eligible retirees living in these two counties will lose the rural subsidy effective January 1, 2006.

***My current coverage is available next year and I do not want to change. What do I need to do?***

Your coverage will automatically continue into next year. **It is not necessary to send any form to the ASRS or, if applicable, PSPRS.**

### *I wish to cancel my ASRS coverage. What do I need to do?*

All cancellations must be in writing. You may use the ASRS or PSPRS, if applicable, enrollment form to decline medical and/or dental coverage or you may send a letter to cancel your coverage. Your termination request must be received by the ASRS or PSPRS, if applicable, prior to the first of the month in which you wish to cancel. Termination requests received after the first of the month will be applied to the first of the following month unless a future date is requested.

### *When does the group insurance open enrollment period end?*

**The open enrollment period for health insurance elections will close Friday, October 28, 2005.** This means that if you are making new elections or adding or deleting dependents from your health insurance coverage, **your enrollment form must be received by the ASRS or PSPRS or be postmarked no later than midnight, Friday, October 28. You must do this in order for your requested election(s) to be effective on January 1, 2006.**

### *What will happen if I don't submit my enrollment form by October 28, 2005?*

If you wish, or are required, to make a plan change and you fail to submit your completed enrollment form by the close date, **your election(s) will not become effective.**

Consequently, you may lose coverage and will not be eligible to re-enroll in the ASRS retiree health insurance program until the next open enrollment, which will take place in the autumn of 2006. However, should you experience a "qualifying event," as defined by law, during the course of the year, you may enroll in an ASRS retiree medical and/or dental plan at that time.

### *What is a "qualifying event?"*

A "qualifying event" permits members to make certain mid-year changes to their benefits coverage that are **consistent** with the qualifying event. If you have a qualifying event and want to enroll or are required to make a change in your coverage, (i.e., add or delete dependents or are required to change your benefit plan), you must notify the ASRS or, if applicable, the Public Safety Personnel Retirement System (PSPRS) Member Services, **in writing**, within 31 days of the event to request a change. Following is a list of eligible qualifying events:

- **change in member's marital status** - marriage, divorce, legal separation, annulment, death of spouse (i.e., enroll yourself and/or add or delete a spouse),
- **change in dependent status** - birth, adoption, placement for adoption, death, or dependent eligibility due to age, marriage, student status (i.e., enroll yourself and/or add or delete eligible dependents),
- **change in member's primary residence causing a change in benefit plan availability** (i.e., change medical and/or dental plans),
- **eligibility for Medicare** - member, spouse, dependent child (i.e., enroll yourself and add your eligible dependents in a medical and/or dental plan or, if enrolled, change medical plan of affected person),
- **significant change in spouse's group benefits plan cost or coverage** (i.e., enroll yourself if you are enrolled in your spouse's group benefit plan and/or add or delete eligible dependents),
- **significant change in Participating Employer's group benefits plan cost or coverage** (i.e., enroll yourself and add eligible dependents), and

- **termination of COBRA coverage** - member, spouse, dependent child (i.e., enroll yourself and/or add eligible dependents).

***I am enrolled in an Arizona Department of Administration (ADOA) retiree health care plan. What are my enrollment options with the ASRS?***

Study the open enrollment materials provided to you by the ADOA and the ASRS or PSPRS, if applicable. Whatever you decide to do, you must notify the entity with whom you are eligible to have coverage by October 28, 2005, of your enrollment election(s). If, after you compare the ASRS retiree health care information, you believe that the ASRS or PSPRS, if applicable, may offer you a better value, then make new elections and return your enrollment form by October 28. You will also need to notify the ADOA **in writing** that you would like to discontinue your health insurance benefits with ADOA effective December 31. The ASRS coverage will then become effective January 1. Please keep in mind that once you decide to enroll in ASRS benefits, you may no longer elect ADOA coverage in the future. On the other hand, if you are satisfied with your ADOA coverage, ignore the ASRS or PSPRS, if applicable, open enrollment packet and your ADOA benefits will continue.

***I am Medicare eligible. Do I have hearing benefits through my medical plan?***

In addition to medically necessary hearing tests, treatments, and services, eligible participants in PacifiCare's Medicare Advantage Plan and Secure Horizons Direct (formerly the Senior Supplement Plan) have hearing benefits provided by Arizona Hearcare Network (AHN). ASRS and AHN entered into an agreement which provides, at no additional premium increase to the participant, the following:

- \$25 co-payment for hearing evaluations;
- \$500 discount toward purchase of digital or programmable hearing aid every 12 months;
- \$300 discount towards purchase of standard or conventional hearing aid every 12 months; and,
- 20% discount on accessories and repairs.

You must show your PacifiCare ID card to be eligible for these benefits and you must use an Arizona Hearcare Network office. AHN locations are detailed in all PacifiCare provider directories, on the Web or through PacifiCare's Customer Service Center. See the inside back cover of this brochure for phone numbers and Web sites.

***I am Medicare eligible. Do I have vision benefits through my ASRS medical plan?***

**If you are enrolled in the Medicare Advantage Plan:**

As a participant in PacifiCare's Medicare Advantage Plan you have coverage for routine eye exams and an allowance of \$100 toward materials (lenses and frames). These benefits are only available through the Cole Vision network which includes: Sears Optical, Target Optical, JC Penney Optical and Pearle Vision. Your vision benefit includes routine exams, lenses and frames every 12 months.

You are also covered for diagnosis and treatment of diseases or medical conditions of the eye (non-routine services) that may require the services of an eye specialist. These services are not covered under your routine vision benefit. If you need the services of an eye specialist, you should call PacifiCare Customer Service at 1-800-347-8600 for the nearest participating provider.

***I am Medicare eligible. Do I have vision benefits through my ASRS medical plan? (Continued)***

**If you are enrolled in Secure Horizons Direct:**

As a participant in PacifiCare's Secure Horizons Direct you have coverage for routine eye exams and an allowance of \$100 toward materials (lenses and frames). You have the option to see any vision provider you wish. However, to maximize your savings you can receive further discounted benefits from a Cole Vision network location such as Sears Optical, Target Optical, JC Penney Optical and Pearle Vision. Your vision benefit includes routine exams, lenses and frames every 12 months.

You are also covered for diagnosis and treatment of diseases or medical conditions of the eye (non-routine services) that may require the services of an eye specialist. These services are not covered under your routine vision benefit. If you need the services of a specialist, you can self-refer to any Medicare contracted eye specialist. Should you have questions, you can call Secure Horizons Direct Customer Service at 1-800-643-2430 (between October 1 and December 31, 2005) and 1-866-525-6437 (after January 1, 2006).

***Must I use the 2006 Enrollment Form?***

**The 2006 Enrollment Form will be the only enrollment form acceptable to enroll in, or make changes to, health insurance plan coverage.** The enrollment form is included in the open enrollment packet along with a pre-addressed return envelope for your convenience.

**Important reminder:** If you want to make a change, please complete the enrollment form in its entirety. Even if you are only changing from one medical plan to another medical plan or from one dental plan to another dental plan, fill out the form completely.

**Failure to check a plan coverage you want will indicate that you are not enrolling in that coverage.** So, be thorough. If, in fact, you are declining coverage, please check the appropriate box(es). A **properly completed enrollment form must be received by the ASRS or PSPRS, if applicable, or be postmarked no later than midnight, Friday, October 28, 2005.**

***Must I notify the ASRS or PSPRS of an address change?***

Yes, all mailings, including pension and LTD benefit plan checks, quarterly newsletters, open enrollment and additional insurance information are delivered to the address of record on file with the ASRS or, if applicable, PSPRS. **It is always in your best interest to ensure a correct mailing address.**

While it is understood that many retirees and LTD recipients have direct deposit of their checks and others have seasonal or even secondary addresses (such as a PO Box), the address of the primary residence is key to the availability of medical plan options and their costs as well as the forwarding of important periodic information that may be time sensitive.

In short, it is your responsibility to let the ASRS or PSPRS know ***in writing*** when you have an address change.

***How can I find out more about my health care choices?***

All members, both active and retired, are encouraged to access the ASRS or, if applicable, PSPRS Web sites which are full of useful overviews and explanations regarding many topics of interest. The ASRS Web site may be found at [www.asrs.state.az.us](http://www.asrs.state.az.us). The PSPRS Web site may be found at [www.psprs.com](http://www.psprs.com).

### ***What if I have questions or need additional help?***

Beginning Monday, October 3, 2005, questions may be directed to **ASRS Member Services** at (602) 240-2000, in Tucson at (520) 239-3100, or from outside Phoenix and Tucson at (1-800) 621-3778. Please listen to the voice menu as it will assist you in speaking with the most appropriate person for your questions.

If applicable, questions may also be directed to **Public Safety Personnel Retirement System Member Services staff** at (602) 255-5575.

Also, you may contact PacifiCare and Assurant Benefits directly for assistance. Phone numbers and Web site addresses are located on the inside back cover of this brochure.

### ***What is the ASRS Health Insurance Advisory Committee?***

The ASRS has convened a committee of retiree representatives from various major public employee and retiree associations as well as the state's other retirement system and plans. The committee is charged with the responsibility of making recommendations to the ASRS Operations Committee of the Board regarding ASRS retiree health insurance plans; educating itself about the substantive issues affecting senior health care; serving as a sounding board for ideas and concerns to prevent or minimize systemic problems in the administration of retiree health care; and, providing insight and representation on the direction of "their" and "your" health care plans.

Committee members represent the following organizations:

- AZ Education Association - Retired
- AZ Federation of State, County, and Municipal Employees
- AZ Association of School Business Officials

- All AZ School Retirees Association
- ASU Retirees Association
- NAU Retirees Association
- Arizona State Retired Employees Association
- Public Safety Personnel Retirement System
- League of Cities and Towns
- Maricopa County Community College Retiree Association
- UA Retirees Association
- AZ School Administrator's Association
- Corrections Officer Retirement Plan
- Elected Officials' Retirement Plan
- Arizona State Retirement System

Select members from the Health Insurance Advisory Committee evaluated the retiree dental proposals submitted to the ASRS through a request for proposal process during the summer. Their recommendation formed the basis for the ASRS Board of Trustees award to Assurant Employee Benefits for the continuation of the retiree dental plans and premiums for 2006.

# Health Insurance Open Enrollment Meetings

## October 3 - October 28, 2005

### No Reservations Required

Presentations have been scheduled throughout Arizona from October 3 to October 28, 2005, with the Arizona State Retirement System (ASRS) Member Services Division and representatives of PacifiCare, Assurant, ScriptSave and the SilverSneakers Fitness Program to discuss their health insurance and benefits programs.

These meetings are an opportunity for members to hear the insurance representatives make formal presentations about their plans.



Open Enrollment Meetings

Open Enrollment Meetings

**No appointment is necessary. Just come to the meeting day and time that best suits your schedule.** Early arrival is always recommended and attending an earlier meeting is encouraged if it is convenient for you to do so.

The meetings will begin at the time designated on the schedule that follows and are approximately two hours in length.

Question and answer sessions will follow each meeting. You are encouraged to ask questions regarding plan differences and applicability so that informed decisions are made concerning your participation in a selected medical and/or dental plan.

**Specific, personal medical and/or dental issues should be addressed to PacifiCare or Assurant Customer Service Centers. Their phone numbers are on the inside back cover of this brochure.**

If you are a PSPRS, CORP or EORP retiree, do not hand in your enrollment form at these meetings. Please mail it to the PSPRS office.

# Meetings Schedule

<b>Phoenix</b>	ASRS Board Room, 3300 N Central Ave, 10TH Floor	3 Oct.	10 AM & 2 PM
<b>Phoenix</b>	ASRS Board Room, 3300 N Central Ave, 10TH Floor	7 Oct.	10 AM & 2 PM
<b>Phoenix</b>	ASRS Board Room, 3300 N Central Ave, 10TH Floor	12 Oct.	10 AM & 2 PM
<b>Phoenix</b>	ASRS Board Room, 3300 N Central Ave, 10TH Floor	17 Oct.	10 AM & 2 PM
<b>Phoenix</b>	ASRS Board Room, 3300 N Central Ave, 10TH Floor	18 Oct.	10 AM & 2 PM
<b>Phoenix</b>	ASRS Board Room, 3300 N Central Ave, 10TH Floor	24 Oct.	10 AM & 2 PM
<b>Phoenix</b>	ASRS Board Room, 3300 N Central Ave, 10TH Floor	28 Oct.	10 AM & 2 PM
<b>Tucson</b>	ASRS Board Room, 7660 E Broadway Blvd. Suite 101	3 Oct.	10 AM & 2 PM
<b>Tucson</b>	ASRS Board Room, 7660 E Broadway Blvd. Suite 101	5 Oct.	10 AM & 2 PM
<b>Tucson</b>	ASRS Board Room, 7660 E Broadway Blvd. Suite 101	13 Oct.	2 PM
<b>Tucson</b>	ASRS Board Room, 7660 E Broadway Blvd. Suite 101	17 Oct.	10 AM & 2 PM
<b>Tucson</b>	ASRS Board Room, 7660 E Broadway Blvd. Suite 101	25 Oct.	10 AM
<b>Bullhead City</b>	Council Chambers 1255 Marina Blvd	18 Oct.	9 AM
<b>Coolidge</b>	Central AZ College, Bldg M Room 101 8470 North Overfield Rd Exit 190 on I-10	20 Oct.	10 AM & 2 PM
<b>Flagstaff</b>	City of Flagstaff, Council Chambers, 211 West Aspen Ave.	4 Oct.	10 AM
<b>Flagstaff</b>	Coconino County Complex, Board of Supervisors Meeting Room, 219 East Cherry	5 Oct.	10 AM & 2 PM
<b>Globe</b>	Gila County Courthouse Hearing Room 1400 East Ash Street	13 Oct.	3 PM
<b>Kingman</b>	Kingman School District Board Room 3033 McDonald Ave	17 Oct.	2 PM
<b>Lake Havasu</b>	Lake Havasu Unified District Board Room 2200 Havasupai Blvd	18 Oct.	3 PM
<b>Mesa</b>	Mesa Public Schools Board Room, 549 North Stapley Dr*	11 Oct.	10 AM & 2 PM
<b>Mesa</b>	Mesa Public Schools Board Room, 549 North Stapley Dr*	26 Oct.	10 AM & 2 PM
<b>Payson</b>	Town of Payson Council Chambers 303 North Beeline Highway	12 Oct.	2 PM
<b>Peoria</b>	City of Peoria Council Chambers, 8401 West Monroe St	19 Oct.	10 AM & 2 PM
<b>Prescott</b>	Prescott City Council Chambers, 201 South Cortez St	6 Oct.	10 AM & 2 PM
<b>Prescott</b>	Prescott City Council Chambers, 201 South Cortez St	7 Oct.	10 AM
<b>Safford</b>	Graham County General Services Building 921 Thatcher Blvd., Assembly Room	19 Oct.	10 AM & 2 PM
<b>Show Low</b>	VFW Hall, 381 North Central	13 Oct.	9:30 AM
<b>Sierra Vista</b>	Sierra Vista Police Dept., 911 North Coronado Dr. Training Room	14 Oct.	10 AM & 2 PM
<b>Tempe</b>	Tempe Elementary School District, Sanchez Administration Building Board Room, 3205 South Rural Rd.**	21 Oct.	10 AM & 2 PM
<b>Wickenburg</b>	Wickenburg Town Hall Council Chambers, 155 North Tegner	3 Oct.	2 PM
<b>Yuma</b>	City of Yuma Training Room, 1 City Plaza	24 Oct.	2 PM
<b>Yuma</b>	City of Yuma Training Room, 1 City Plaza	25 Oct.	10 AM

\*Please Park in the Conference Parking Lot

\*\*Please Park in the Fry's Grocery Store Parking Lot

# Cost for Coverage

## Medical Premiums

(January 1, through December 31, 2006)

Use this chart to determine how your medical plan election will affect your pension check.

### MONTHLY PREMIUMS – MEDICAL PLANS PROVIDED BY PACIFICARE OF ARIZONA

<b><i>PacifiCare</i><sup>®</sup></b> MEDICAL INSURANCE PLANS	WITHOUT MEDICARE		WITH MEDICARE A & B		COMBINATIONS	
	Retiree Only	Retiree & Dependents	Retiree Only	Retiree & Dependents	Retiree & Dependents One with Medicare, the others without	Retiree & Dependent with Medicare, other dependents without
<b>Maricopa, Pima and Pinal Counties</b>						
HMO	☐ \$403.79	☐ \$807.58				
PPO	☐ \$600.00	☐ \$1200.00				
Secure Horizons Direct			☐ \$316.35	☐ \$632.70 <sup>(2)</sup>		
Secure Horizons Direct w/HMO					☐ \$720.14	☐ \$1036.49
Secure Horizons Direct w/PPO					☐ \$916.35	☐ \$1232.70
Medicare Advantage			☐ \$137.48	☐ \$274.96 <sup>(2)</sup>	☐ \$541.27	☐ \$678.75
Medicare Adv. w/PPO					☐ \$737.48	☐ \$874.96
<b>La Paz, Yuma, Santa Cruz, Cochise, Graham, Greenlee, Coconino and Yavapai Counties</b>						
HMO–Limited Service Areas <sup>(1)</sup>	☐ \$403.79	☐ \$807.58				
PPO	☐ \$420.00	☐ \$840.00				
Secure Horizons Direct			☐ \$316.35	☐ \$632.70 <sup>(2)</sup>		
Secure Horizons Direct w/HMO					☐ \$720.14	☐ \$1036.49
Secure Horizons Direct w/PPO					☐ \$736.35	☐ \$1052.70
Medicare Advantage			☐ \$199.00	☐ \$398.00 <sup>(2)</sup>	☐ \$602.79	☐ \$801.79
Medicare Adv. w/PPO					☐ \$619.00	☐ \$818.00
<b>Mohave, Gila, Navajo and Apache Counties</b>						
HMO–Limited Service Areas <sup>(1)</sup>	☐ \$403.79	☐ \$807.58				
PPO	☐ \$420.00	☐ \$840.00				
Secure Horizons Direct			☐ \$316.35	☐ \$632.70 <sup>(2)</sup>		
Secure Horizons Direct w/HMO					☐ \$720.14	☐ \$1036.49
Secure Horizons Direct w/PPO					☐ \$736.35	☐ \$1052.70
<b>Out-of-State</b>						
Indemnity	☐ \$846.40	☐ \$1692.80				
Secure Horizons Direct			☐ \$316.35	☐ \$632.70 <sup>(2)</sup>		
Secure Horizons Direct w/Indemnity					☐ \$1162.75	☐ \$1479.10

(1) and (2) See footnote explanations on bottom of page 16.


# Cost for Coverage

## Dental Premiums

(January 1, through December 31, 2006)

Use this chart to determine how your dental plan election will affect your pension check.

### MONTHLY PREMIUMS – DENTAL PLANS PROVIDED BY ASSURANT EMPLOYEE BENEFITS

 DENTAL INSURANCE PLANS	Retiree Only	Retiree & 1 Dependent	Retiree & 2 or more Dependents
Freedom Advance (High Option)	<input type="checkbox"/> \$36.61	<input type="checkbox"/> \$73.06	<input type="checkbox"/> \$103.39
Freedom Basic (Low Option)	<input type="checkbox"/> \$17.18	<input type="checkbox"/> \$36.34	<input type="checkbox"/> \$66.54
Prepaid (Arizona)	<input type="checkbox"/> \$10.61	<input type="checkbox"/> \$17.41	<input type="checkbox"/> \$26.90
Prepaid (Other States Where Available)	<input type="checkbox"/> \$10.45	<input type="checkbox"/> \$17.64	<input type="checkbox"/> \$27.87

## Calculating Your Monthly Health Insurance Cost

Each retiree's circumstances are different. The ASRS offers retiree health insurance plans as does the Arizona Department of Administration and more than 200 participating employers to allow retirees to remain on their active employee coverage. Premium benefits for the basic and rural programs also vary depending on a retiree's years of service. They also vary among the four state retirement systems and plans. Premiums also differ depending on the plan in which the retiree is enrolled and whether single or family coverage is elected.

Use the worksheet on the next page to determine the applicable amounts of insurance

premium that either will be deducted from your monthly pension check or will be required to be paid directly to the insurance carrier(s).

Your ASRS retirement benefit check stub displays the basic premium benefit (PREM BEN), the rural subsidy (NON SRVPB) if applicable, and the full amount of your health insurance premium (HI PREM). However, only your **net health insurance cost** is being deducted from your pension check. Please see page 45 for a further explanation.

Notes applicable to Cost of Coverage on page 15.

- (1) Available to rural Arizona residents but with restrictions. HMO service areas are Maricopa, Pima and Pinal counties. See question 8 on page 51 for further explanation.
- (2) Retiree and dependents monthly premium is a multiple of the number of lives covered and the Retiree Only premium. For example, the monthly premium for 3 eligible Medicare Advantage Plan participants who have Medicare Parts A and B is \$412.44 (3 X \$137.48). Likewise, the monthly premium for 3 eligible Secure Horizons Direct participants who have Medicare Parts A and B is \$949.05 (3 X \$316.35).

# Net Monthly Health Insurance Cost Worksheet

Your monthly medical plan premium  
from page 15, if enrolled

**A**

Your monthly dental plan  
premium from page 16, if enrolled

+

**B**

Total Premium (A plus B)

**C**

Your Basic Premium Benefit  
(See chart on page 18)

-

**D**

Your Net Premium (C minus D)

**E**

Effective July 1, 2005, the Rural Subsidy is applicable only to Medicare eligible retirees who live in rural Arizona, and are not eligible to enroll in an HMO. Please continue with the calculation if you are eligible for the rural subsidy.

Required Minimum HB2621 Payment  
(See Required Payment chart on page 19)

-

**F**

Net Premium before  
Rural Subsidy (E minus F)

**G**

Rural Health Insurance Subsidy  
(See Subsidy chart on page 20)

-

**H**

Your remaining out-of-pocket cost  
(If H is greater than G, I will  
equal \$0.00)

(G minus H)

**I**

For some retirees, the total amount of premium owed will be box E, or a combination of boxes F and I, or for others, only box F.

# Retiree Health Insurance Premium Benefit Program

## Basic Premium Benefit Amounts

The monthly premiums shown in the charts on pages 15-16 are the full cost for the medical and dental coverages. The Arizona State Retirement System, Public Safety Personnel Retirement System, Elected Officials' Retirement Plan, and Corrections Officer Retirement Plan will provide payment toward insurance premiums for eligible members and their dependents. The chart below reflects the maximum monthly basic premium benefit available for eligible members and their dependents.

No basic premium benefit is provided to retirees in the University Optional Retirement Plans.

To determine your basic premium benefit, you need to know your years of credited service in your retirement system or plan; your coverage type, i.e., single or family coverage; and, whether you and covered family members are eligible for Medicare.

	WITHOUT MEDICARE		WITH MEDICARE A & B		COMBINATIONS	
Years of Service	Retiree Only	Retiree & Dependents	Retiree Only	Retiree & Dependents	Retiree & Dependents One with Medicare, the other(s) without	Retiree & Dependent with Medicare, other dependents without
<b>Arizona State Retirement System (ASRS) Members</b>						
5.0–5.9	\$75.00	\$130.00	\$50.00	\$85.00	\$107.50	\$107.50
6.0–6.9	\$90.00	\$156.00	\$60.00	\$102.00	\$129.00	\$129.00
7.0–7.9	\$105.00	\$182.00	\$70.00	\$119.00	\$150.50	\$150.50
8.0–8.9	\$120.00	\$208.00	\$80.00	\$136.00	\$172.00	\$172.00
9.0–9.9	\$135.00	\$234.00	\$90.00	\$153.00	\$193.50	\$193.50
10.0+	\$150.00	\$260.00	\$100.00	\$170.00	\$215.00	\$215.00
<b>Elected Officials' Retirement Plan (EORP) Members</b>						
5.0–5.9	\$90.00	\$156.00	\$60.00	\$102.00	\$129.00	\$129.00
6.0–6.9	\$112.50	\$195.00	\$75.00	\$127.50	\$161.25	\$161.25
7.0–7.9	\$135.00	\$234.00	\$90.00	\$153.00	\$193.50	\$193.50
8.0+	\$150.00	\$260.00	\$100.00	\$170.00	\$215.00	\$215.00
<b>Corrections Officer Retirement Plan (CORP) Members</b>						
not applicable	\$150.00	\$260.00	\$100.00	\$170.00	\$215.00	\$215.00
<b>Public Safety Personnel Retirement System (PSPRS) Members</b>						
not applicable	\$150.00	\$260.00	\$100.00	\$170.00	\$215.00	\$215.00

# Additional Temporary Premium Benefit Amounts (Rural Subsidy)

Qualified Medicare eligible retirees **who are participating in a medical plan** provided by the ASRS, ADOA, or a participating employer of a state retirement system or plan and who live in areas of Arizona where no managed care (HMO) program is offered (“non-service

areas”) are entitled to receive an additional temporary premium benefit. The Rural Subsidy amounts shown below are **effective from July 1, 2005 through June 30, 2007.**

**HB2621 Required Payment** – Eligible “rural” retirees are required to pay a portion of the cost of their medical insurance plan before the Rural Subsidy is applied to their remaining medical plan premium. Those amounts are:

	Required Payment
Medicare Eligible Retiree Only	\$100 per month
Medicare Eligible Retiree + Dependent(s)	\$200 per month
Medicare Eligible Retiree + Dependent(s) (Combination Plan)	\$400 per month
<b>You are eligible for the Rural Subsidy if you:</b>	
■ are Medicare eligible;	
■ live in Mohave, Gila, Navajo or Apache Counties;	
■ are not eligible to enroll in an HMO plan from a participating employer or the ASRS; or,	
■ are not a retiree of the University Optional Retirement Plans.	

# Additional Temporary Premium Benefit Amounts (Rural Subsidy)

	WITH MEDICARE A & B		COMBINATIONS
Monthly Rural Subsidy Effective July 1, 2005 through June 30, 2007			Retiree with Medicare Dependent(s) with or without Medicare
Years of Service	Retiree Only	Retiree & Dependents	
<b>Arizona State Retirement System (ASRS) Members</b>			
5.0–5.9	\$85.00	\$175.00	\$235.00
6.0–6.9	\$102.00	\$210.00	\$282.00
7.0–7.9	\$119.00	\$245.00	\$329.00
8.0–8.9	\$136.00	\$280.00	\$376.00
9.0–9.9	\$153.00	\$315.00	\$423.00
10.0+	\$170.00	\$350.00	\$470.00
<b>Elected Officials' Retirement Plan (EORP) Members</b>			
5.0–5.9	\$102.00	\$210.00	\$282.00
6.0–6.9	\$127.50	\$262.50	\$352.50
7.0–7.9	\$153.00	\$315.00	\$423.00
8.0+	\$170.00	\$350.00	\$470.00
<b>Corrections Officer Retirement Plan (COPR) Members</b>			
not applicable	\$170.00	\$350.00	\$470.00
<b>Public Safety Personnel Retirement System (PSPRS) Members</b>			
not applicable	\$170.00	\$350.00	\$470.00

# ASRS Retiree Medical Plans



For 2006, PacifiCare will again be the sole provider offering medical benefits to retirees and LTD recipients and their eligible dependents covered through the Arizona State Retirement System.

Depending upon where you live and whether you are eligible for Medicare, PacifiCare has the following plans from which to choose: a Health Maintenance Organization (HMO), a Medicare Advantage Plan, a Preferred Provider Organization (PPO), an Indemnity Medical Plan and a Senior Supplement Plan which will now be renamed the Secure Horizons Direct Plan. Where they are available, PacifiCare offers these types of medical plans:

## Health Maintenance Organization (HMO)

**Health Maintenance Organization (HMO)** requires that all your care is provided through HMO contracted providers, except emergencies. Each family member selects his or her Primary Care Physician (PCP) who may be a Family Practice, General Practice or Internal Medicine Physician. Your PCP will take care of most of your medical needs. Should you require a specialist, tests or hospitalization, your PCP will make the arrangements. **A physician name and network name are required on the enrollment form if you select the HMO plan.**

## Medicare Advantage Plan

**Medicare Advantage Plan (Secure Horizons)** is a plan for members who are enrolled in Medicare Parts A & B and in which PacifiCare has entered into a contract with the Centers for Medicare and Medicaid Services (CMS), the federal agency that administers Medicare, and is regulated by the Arizona Department of Insurance. This contract authorizes PacifiCare to provide comprehensive health services to persons who are entitled to original (traditional) Medicare benefits and who choose to enroll in the Medicare Advantage Plan (Secure Horizons). By enrolling in the Medicare Advantage Plan (Secure Horizons), you have made a decision to receive all your routine health care from PacifiCare contracted providers. If you receive services from a non-contracted provider without prior authorization, except for emergency

services, out-of-area urgently needed services and renal dialysis, neither PacifiCare nor Medicare will pay for those services. **Physician and network names are required on the enrollment form if you select the Medicare Advantage Plan.**

## Preferred Provider Organization (PPO)

**Preferred Provider Organization (PPO)** has a network of participating hospitals, doctors, specialists and other medical providers who have agreed to discounted fees. However, with the PPO plan, you are free to use any eligible licensed provider for your care. Utilizing a participating provider limits your out-of-pocket expense. Non-participating providers are paid at usual, customary and reasonable (UCR) cost after the plan deductible. Non-participating providers may bill you for amounts over UCR.

## Indemnity Medical Plan

**Indemnity Medical Plan** allows you freedom of choice to see any licensed provider and is paid at UCR after the plan deductible. The providers may bill you for amounts over UCR.

## Secure Horizons Direct Plan

**Secure Horizons Direct Plan** is for members who are enrolled in both Medicare Parts A & B. With this Plan you have the freedom to obtain medical care from any physician and hospital that accepts Medicare.

# What Medical Plan am I eligible for?



Medical Plan

Medical Plan

## Medicare eligible retirees:

Retirees and/or dependents residing in:

- **Maricopa, Pima, Pinal, La Paz, Yuma, Cochise, Santa Cruz, Graham, Greenlee Coconino and Yavapai counties** with Medicare Parts A & B may select either the Medicare Advantage Plan or the Secure Horizons Direct Plan.
- **Mohave, Gila, Navajo and Apache counties and states nationwide** with Medicare Parts A & B will have coverage through the Secure Horizons Direct Plan.

## Non-Medicare eligible retirees:

Retirees and/or dependents residing in:

- **Maricopa, Pima and Pinal counties** who are not Medicare eligible can select either the HMO or PPO plans.
- **All other counties within Arizona** who are not Medicare eligible will have coverage under the PPO plan and, with restrictions, under the HMO plan (see Question 8 on page 51).
- **Outside the State of Arizona** who are not Medicare eligible will have coverage through the Indemnity Medical Plan.

# Becoming Medicare Eligible



Medicare Eligible

Medicare Eligible

If you or your dependent will become Medicare eligible on your or their next birthday, there may be changes in your medical coverage, premiums or premium benefit that you need to know about. The address of your primary residence will dictate the Medicare plan for which you are eligible.

**You will need to complete a new enrollment form and the Statement of Understanding (SOU).** Please remember that your enrollment form and SOU can **NOT** be dated and signed more than 90 days prior to your effective date of coverage.

Please send the enrollment form, the SOU, and a copy of your Medicare card(s) showing Parts A & B or a copy of your Medicare Award letter to ASRS or PSPRS, if applicable, 30 days **prior** to the effective date of your Medicare coverage. **The effective date will be the first day of the month of your 65th birthday.**

A new ID card(s) and Evidence of Coverage for your new medical plan will be sent by PacifiCare once your forms have been processed.



# Comparison of Benefits

The medical plan comparison charts on the following pages contain a partial listing of the benefits offered to the Medicare eligible and Non-Medicare eligible retirees, LTD recipients and eligible dependents. Please remember that benefits are subject to plan limitations and exclusions.

Secure Horizons Direct (formerly the Senior Supplement Plan) experienced prescription drug benefit improvement in 2006 and that **change is in bold type** as footnote \*\* on the bottom of page 26.

After you enroll for coverage, PacifiCare will send you an Identification (ID) Card and an Evidence of Coverage booklet for the HMO plans or a Certificate of Coverage for the PPO, Indemnity Medical and Secure Horizons Direct plans. Please review these documents before you begin to use services so you understand the terms and conditions of the plan you selected.

A glossary begins on page 47 for definitions of many of the terms used in the charts.

**Questions concerning your plan should be directed to the PacifiCare Customer Service number listed on the back of your ID card or on the inside back cover of this brochure.**



Benefits

Benefits

# 2006 Medicare Eligible Retiree Medical Plans Comparison Chart

The information contained in this chart is a partial summary of the medical benefits offered by PacifiCare for Medicare eligible retirees, disabled members, and eligible dependents. It also serves as a comparison between plans.

	Medicare Advantage	Secure Horizons Direct
Outpatient Benefits	Member Pays	Member Pays
Doctor Office Visit	\$10 Copayment	No Charge for MAC*
Specialist Office Visit	\$20 Copayment	No Charge for MAC*
Routine Physical	\$10 Copayment	All Costs
Immunizations	\$10 Copayment	No Charge for MAC*
Outpatient Mental Health	\$15 Copayment	No Charge for MAC*
Outpatient Surgical Services	\$50 Copayment	No Charge for MAC*
X-Rays Outpatient-Standard Outpatient-Specialized Scans	No Charge \$50 Copayment	No Charge for MAC*
Outpatient Lab Tests	No Charge	No Charge for MAC*
Durable Medical Equipment	No Charge	No Charge for MAC*
Skilled Nursing Facility	No Charge Limit of 100 days per Benefit Period	Days 1–100: No Charge for MAC*  Days over 101: All Costs
Home Health Care	No Charge	No Charge for MAC*
Physical, Speech and Occupational Therapy	\$10 Copayment	No Charge for MAC*

\* Medicare Approved Charges (MAC)

# 2006 Medicare Eligible Retiree Medical Plans Comparison Chart

	Medicare Advantage	Secure Horizons Direct
Inpatient Benefits	Member Pays	Member Pays
Inpatient Hospital Expenses	No Charge	No Charge unless 425 Day lifetime maximum has been used
Inpatient Mental Health	No Charge—190 days Lifetime Maximum	No Charge up to 190 days lifetime maximum
Prescription Benefits**		
Brand/Generic**	\$20/\$10 Copay	\$20/\$10 Copay
Mail Order** (90-day Supply)	\$40/\$20 Copay	\$40/\$20 Copay
Other Benefits		
Emergency Room	\$50 Copayment (waived if admitted)	No Charge for MAC*
Urgent Care Facility	\$10 Copayment	No Charge for MAC*
Ambulance	\$25 Copayment	No Charge for MAC*
Other		
Deductible	None	None
Maximum Lifetime Benefit	No Maximum	No Maximum
Vision Exam	\$20 Copayment	\$20 Deductible Plus All Cost Above Allowance
Lenses and Frames	\$100 Allowance per Calendar Year	\$100 Allowance per Calendar Year
SilverSneakers Fitness Program	Free Membership at Participating Clubs***	Free Membership at Participating Clubs*** No Charge

\* Medicare Approved Charges (MAC) \*\* Copays apply to first \$2,250 prescription drug cost per person, then, after \$5,000 in total drug cost, member pays only 5% of cost. \*\*\*See pages 41 and 42 for more details.

**Important Note:** This is only a brief summary of benefits. Please refer to the plan's Evidence of Coverage for a list of benefits and exclusions specific to the ASRS retiree medical plan. PacifiCare will send you a Evidence of Coverage with complete information on the benefits, limitations and exclusions once your enrollment form is processed.

# 2006 Non-Medicare Eligible Retiree Medical Plans Comparison Chart

The information contained in this chart is a partial summary of the medical benefits offered by PacifiCare for Non-Medicare eligible retirees, disabled members and dependents. It also serves as a comparison between plans.

Outpatient Benefits	HMO	PPO		INDEMNITY
	Member Pays	In-Network Plan Pays	Out-of-Network Plan Pays	Plan Pays
Doctor Office Visits	\$20 Copayment	100% after \$15 Copayment	60%*	80%*
Specialist Office Visit	\$30 Copayment	100% after \$15 Copayment	60%*	80%*
Routine Physical	\$20 Copayment	100% after \$15 Copayment	60%*	80%*
Examinations/Immunizations	\$20/\$30 Copayment	100% after \$15 Copayment	60%*	80%*
Vision Examination	\$30 Copayment	Not Covered	Not Covered	Not Covered
Hearing Examination	\$30 Copayment	Not Covered	Not Covered	Not Covered
Outpatient Mental Health	\$30 Copayment	80%*	60%*	80%*
Outpatient Hospital Services	20%	80%*	60%*	80%*
X-Rays	\$20 Copayment			
Outpatient- Standard	\$20 Copayment	80%*	60%*	80%*
Outpatient- Specialized Scans	\$50 Copayment	80%*	60%*	80%*
Outpatient Lab Tests	No Charge	80%*	60%*	80%*
Durable Medical Equipment	No Charge	80%*	60%*	80%*
Prosthetic Devices	50%	80%*	60%*	80%*
Skilled Nursing Facility	No Charge	80%*	60%*	80%*
Home Health Care	No Charge	80%*	60%*	80%*
Physical, Speech and Occupational Therapy	\$30 Copayment	80%*	60%*	80%*

\* Subject to Calendar Year Deductible

# 2006 Non-Medicare Eligible Retiree Medical Plans Comparison Chart

	HMO	PPO		INDEMNITY
Inpatient Benefits	Member Pays	In-Network Plan Pays	Out-of-Network Plan Pays	Plan Pays
Inpatient Hospital Expenses	20%	80%*	\$500 Admission Deductible then 60%*	\$500 Admission Deductible then 80%*
Inpatient Mental Health	20%	80%*	60%*	\$500 Admission Deductible then 80%*
Prescription Benefits	Formulary	Formulary	Formulary	Formulary
Brand/Generic	\$20/\$10 Copay	\$20/\$10 Copay	\$20/\$10 Copay	\$20/\$10 Copay
Mail Order (90 day supply)	\$40/\$20 Copay	\$40/\$20 Copay	\$40/\$20 Copay	\$40/\$20 Copay
Other Benefits	Member Pays	In-Network Plan Pays	Out-of-Network Plan Pays	Plan Pays
Emergency Room	\$50 Copayment (waived if admitted)	\$75 deductible (waived if admitted)	\$75 deductible (waived if admitted)	\$75 deductible (waived if admitted)
Urgent Care Facility	\$30 Copayment	80%*	60%*	80%*
Ambulance	No Charge	70%*	70%*	80%*
Lenses and Frames	Allowances: \$50 Lenses and \$50 Frames or \$100 Contacts	Not Covered	Not Covered	Not Covered
Hearing Aids	\$200 Allowance per calendar year	Not Covered	Not Covered	Not Covered

\* Subject to Calendar Year Deductible

# 2006 Non-Medicare Eligible Retiree Medical Plans Comparison Chart

Other	HMO	PPO		INDEMNITY
	Member Pays	In-Network Plan Pays	Out-of-Network Plan Pays	Plan Pays
Calendar Year Deductible	None	\$500 Individual \$1,000 Family		\$250 Individual \$500 Family
Inpatient Hospital Deductible	None	None	\$500 Out-of-Network Hospital per admission	\$500 per confinement
Outpatient Surgical Services Deductible	20%	None	\$250 Out-of-Network Hospital per visit	\$250 per visit
Out of Pocket/Coinsurance Maximum	\$2,000 Individual \$6,000 Family	\$2,000 per Individual \$4,000 per Family excluding the deductible and copayments	\$6,000 per Individual \$12,000 per Family excluding the deductibles and prescription drug copayments	\$2,000 per Individual \$4,000 per Family excluding the deductibles
Maximum Lifetime Benefit	No Maximum	\$2,000,000		\$2,000,000
SilverSneakers Fitness Program	Free Membership at Participating Clubs**	Free Membership at Participating Clubs**		Not Covered

\* Subject to Calendar Year Deductible

\*\* See pages 41 and 42 for more details.

**Important Note:** This is only a brief summary of benefits. Please refer to the plan's Certificate of Coverage or Evidence of Coverage for a list of benefits and exclusions specific to the ASRS retiree medical plan. PacifiCare will send you a Certificate of Coverage with complete information on the benefits, limitations and exclusions once your enrollment form is processed.

# Statement of Understanding (SOU)

**The SOU must be completed by all retirees and/or dependents** who have Medicare Parts A & B. PacifiCare has entered into a contract with the Centers for Medicare and Medicaid Services (CMS), the federal agency responsible for the management of Medicare, to provide comprehensive health services to persons enrolled in the Medicare Advantage Plan and the Secure Horizons Direct Plan.

By signing the SOU, the retiree and/or dependent indicates to PacifiCare (Secure Horizons) and CMS that they understand:

- Member(s) must maintain Parts A & B by continuing to pay the Part B premiums and the Part A premiums, if applicable. These premiums are deducted from your Social Security check and **not** from your ASRS pension check.
- All Medicare Advantage Plan medical services, with the exception of emergency or out-of-area urgently needed services, must be provided or arranged by PacifiCare/Secure Horizons contracted providers. Services rendered without pre-certification from PacifiCare (Secure Horizons), with the exception of emergency or out-of-area urgently needed services, will not be reimbursed by PacifiCare or Medicare.
- Member(s) is bound by the benefits, co-payments, exclusions, limitations and other terms of the PacifiCare (Secure Horizons) Evidence of Coverage.
- Member(s) can only be enrolled in one Medicare Advantage or Secure Horizons Direct Plan at any one time.
- Effective date of coverage selection will be the first of the month following the date that PacifiCare receives the completed enrollment form and SOU, unless the requested effective date is at a later date.

**If you are enrolling for the first time, your completed SOU must be submitted along with your enrollment form to the ASRS or PSPRS, if applicable.**

# Secure Horizons Disenrollment Form

**The Disenrollment Form must be completed and signed by all Medicare eligible retirees and/or dependents who are currently enrolled in the Medicare Advantage Plan or the Secure Horizons Direct Plan and who are dropping that**

**coverage.** This form requests that your health care coverage revert back to the traditional Medicare fee-for-service program. The effective date will be the first of the month following receipt of the Disenrollment Form, unless a future date is requested.

## Understanding Your Prescription Drug Benefit

### *What is a Formulary and why is it important?*

PacifiCare keeps your medication costs down through a Formulary. The Formulary is a list of PacifiCare-approved outpatient prescription drugs that are covered under the PPO, Indemnity Medical, HMO and Medicare Advantage plans. A pharmacy and therapeutics committee that consists of practicing physicians and pharmacists determines and maintains the Formulary. The committee decides which prescription drugs provide quality treatment for the best value. It includes a broad range of generic and brand name drugs, although it does not include all prescription drugs.

### *What medical plans utilize the Formulary?*

The PPO, Indemnity Medical, HMO and Medicare Advantage plans utilize the Formulary. For you to receive prescription drug benefits, your physician must prescribe medication for you from the Formulary and the prescription must be filled at a participating pharmacy.



Prescription Drugs

Prescription Drugs

# Understanding Your Prescription Drug Benefit

## ***Do I have a Formulary benefit on the Secure Horizons Direct Plan?***

No, the Secure Horizons Direct Plan does not utilize the Formulary. As a member on the Secure Horizons Direct Plan, you pay your appropriate copayment to the participating pharmacy. However, the Plan does have an annual prescription drug benefit limit of \$2,250 per person.

## ***What is covered?***

All medications listed in the Formulary are covered. In order to receive your prescription benefits, your physician must prescribe medication for you from the Formulary and the prescription must be filled at a participating pharmacy.

## ***What if my prescription is not listed in the Formulary?***

Your physician can contact Prescription Solutions, PacifiCare's prescription manager, for an exception explaining why you must have that drug rather than the one on the Formulary or your physician must change your prescription to an equivalent Formulary drug.

## ***What is the difference between brand name and generic drugs?***

A generic drug is a medication which has met the standards set by the Food and Drug Administration (FDA) to assure its equivalence to the original patented brand name medication. Generic drugs are chemically identical to their brand name equivalents. Many brand name drugs do not have generic equivalents. In these cases, your physician may prescribe a "therapeutic" instead. Unlike generic drugs

which have the identical active ingredients as a brand name version, a therapeutic substitute has a chemical composition close to its brand name counterpart and has been determined to provide the same clinical or therapeutic results.

## ***How can I obtain a copy of the Formulary?***

The Formulary is available upon request from PacifiCare or can be found on their website at [www.pacificare.com](http://www.pacificare.com).

## ***How can I save money by using the Prescription Mail Order Program?***

Prescription Solutions, PacifiCare's prescription manager, offers a mail order program for maintenance medications. Through the mail order program, you can order a three (3) month supply of medications and save money on your prescription copayment. Prescriptions are mailed to your home in discreetly labeled packages. Refills can be ordered by mail, over the phone or through the Internet. Mail Order Claim forms may be ordered through PacifiCare's Customer Service or on their website at [www.pacificare.com](http://www.pacificare.com).

# ASRS Retiree Dental Plans



**ASSURANT**

For 2006, Assurant Employee Benefits (formerly Fortis Benefits) will again be the sole provider offering dental benefits to retirees, LTD recipients and eligible dependents covered through the Arizona State Retirement System. Assurant offers three different dental plans that allow you to choose between the Freedom Advance or Freedom Basic indemnity dental plan, and a prepaid dental plan. These plans provide you with the freedom to choose a dental plan that best fits your individual needs. Compare the cost and benefits of each dental plan to determine which plan will meet the dental health needs of you and your family.

There are significant differences between the indemnity and prepaid plans. Below you will find a brief synopsis of the differences between the two indemnity plans and the prepaid plan.

## Indemnity Dental Plans

These plans pay the indicated percentages of Allowable Charges for covered services. Benefits are paid after any applicable deductible has been met, up to the Annual Maximum which is \$2,500 for the Freedom Advance and \$1,000 for the Freedom Basic Indemnity Dental Plans. You are responsible for any applicable coinsurance percentages not covered by the plans. Allowable charges are based on charges being made by providers in the area where dental services are performed. The Indemnity Plans feature:

- Two Plan Choices
  - Freedom Advance
  - Freedom Basic
- Freedom of Choice of Dentists or use Dental Health Alliance (DHA) contracted providers for no balance billing
- Nationwide Coverage
- Benefits Underwritten by a Financially Strong Company
- Fast and Accurate Claims Service
- Vision Benefit Included

## Prepaid Dental Plan

The prepaid dental plan provides a variety of benefits through participating dentists. You may change your dentist throughout the plan year (see Question 14 on page 53 “How do I change my General Dentist?”). All services must be performed by a participating provider. You will then be responsible for any co-payments which are reduced fees that you will pay directly to the dentist for covered dental procedures. The Prepaid Dental Plan features:

- No Deductibles
- No Claim Forms to File
- No Annual Maximums
- No Waiting Periods
- Some Cosmetic Dentistry Benefits
- Orthodontia for Both Children and Adults
- Participating Provider Directory
- Vision Benefit Included

# Important Things to Consider When Making Your Dental Plan Election

You have three dental plans from which to choose. They are:

- 1) Freedom Advance Indemnity Dental Plan
- 2) Freedom Basic Indemnity Dental Plan
- 3) Prepaid Dental Plan

■ **A Specialty Benefit Amendment (SBA) is included with the Prepaid Dental Plan for Arizona residents** that allows patients to receive certain services from Assurant contracted specialists for a specific copayment rather than the discounted fee.

■ If you are a member of either indemnity dental plan and you want to **spend less for your dental treatments and services**, use an Assurant Dental Health Alliance (DHA) contracted provider who has agreed to **“no balance billing.”** By using a DHA contracted provider, Assurant’s payment and your coinsurance plus any applicable deductible will be deemed **payment in full**. In addition, any services not covered by your ASRS indemnity dental plan, including cosmetic services and additional cleanings, are offered at reduced fees.

**To find the most convenient Assurant DHA contracted provider** for your indemnity dental plan from the large network of DHA providers, please visit Assurant’s special website at [www.dha.com](http://www.dha.com) or call 1-800-985-9895.

■ **If you are selecting the Prepaid Dental Plan** you must choose a Primary Care Dentist from the Assurant Directory of

Dentists. Once you have chosen a Primary Care Dentist, **you must enter the Dentist ID number from the directory on your enrollment form.** This is very important! It allows Assurant to tell your chosen General Dentist that you will be a new patient and includes your dental plan information on the dentist’s eligibility list called a “roster.”

■ The Assurant indemnity dental plans offer freedom of choice to use any eligible licensed dentist or specialist in the United States. However, you may use Assurant’s Dental Health Alliance (DHA) contracted providers to receive additional savings on all your dental treatment services.

## Important Information Regarding On-going Dental Care If You Are Newly Enrolled With ASRS

If you are actively undergoing major dental procedures with your current dental provider and the service(s) is not completed prior to the effective date of your dental coverage with ASRS, your current provider may allow that on-going procedure to be a covered expense under your current dental plan even after your termination from your employer’s dental plan. Check with your current dental provider to learn if your procedure qualifies for continued coverage.

Dental procedures you are receiving from your current non-ASRS dental provider **will not be eligible** for benefits through Assurant.



# Assurant Dental Plans

Plans	Deductibles	Type I Preventive Services	Type II Basic Services
<b>Freedom Advance*</b>	<b>\$50/\$150</b>	<b>80% paid (deductible waived)</b> Oral Exam (1x/6 mo.) Routine Cleaning (1x/6 mo.) Fluoride Treatment (1x/12 mo. under age 14) Sealants (1x/perm. molar under age 16) X-rays Bitewings (1x/12 mo.) Full Mouth (1x/60 mo.) Space Maintainers (under age 16)	<b>80% paid (deductible applied)</b> New and Replacement Fillings Emergency Treatment (includes exam/x-rays) Oral Surgery Simple Extractions, Surgical Incision & Drainage of abscess, Root Removal on exposed root Endodontics (Root Canals) Periodontics (Treatment of gum disease)
<b>Freedom Basic</b>	<b>\$50/\$150</b>	<b>100% paid (deductible waived)</b> Oral Exam (1x/6mo.) Routine Cleaning (1x/6mo.) Fluoride Treatment (1x/12mo. Under age 14) Sealants (1x/perm. molar under age 16) X-rays Bitewings (1x/12 mo.) Space Maintainers (under age 16)	<b>80% paid (deductible applied)</b> New and Replacement Fillings Emergency Treatment (includes exam/x-rays) Oral Surgery Simple Extractions X-rays Full Mouth (1x/60 mo.) Panoramic (1x/60 mo.) Minor Periodonics Scaling & Root Planing (1x/24 mo.) Periodontic Maintenance (1x/6 mo.)
<b>Arizona Prepaid Dental Plan Option**</b>	<b>No Deductibles</b>	<b>Fixed co-pays</b> \$0 Oral Exam \$0 most individual x-rays \$0 Bacterial Studies \$5 Routine Office Visit \$5 X-rays-complete series \$7 Routine cleaning/adult (1x/6 mo.) \$75-\$95 Space Maintainers-fixed*** \$95 Space Maintainers-removable***	<b>Fixed co-pays</b> \$20 Problem-focused Office Visit \$13-\$60 Fillings (1-4 surfaces) \$150-\$300 Cosmetic Bleaching, per arch \$265-\$320 Root Canal - Molar (excludes final restoration) \$135-\$225 Gingivectomy or Gingivoplasty, per quad \$30 Single tooth extraction \$120-\$150 Removal impacted tooth, complete bony

## Notes applicable to Dental Plans Comparison Chart:

\*All new enrollees in the Freedom Advance (High Option) indemnity dental plan will start at a 25% coinsurance level for (Type III) Major each year thereafter.

\*\*Requires you to select a Participating Dental Provider (PDP) when enrolling. In addition, if you are selecting a PDP listed as "roster only,"

\*\*\*Members are responsible for additional lab fees for these services.

Prepaid Dental Plans are also available in CA, CO, FL, GA, KS, MO, NE, NV, NM, OH, OK, OR, TX, UT. For a copy of the Schedule of Benefits cover of this brochure in the Dental Provider section.

# Comparison Chart

Type III Major Services	Orthodontia	Annual combined maximum preventive basic and major benefits
<b>25%/ 50% paid*</b> Major Restorations Inlays/Onlays, Crowns Bridges/Dentures Initial placement-covered Replacement only if 7 yrs. lapsed from date of installation Complex Oral Surgery	<b>Not Covered</b>	<b>\$2500 per person</b>
<b>Not Covered</b>	<b>Not Covered</b>	<b>\$1000 per person</b>
<b>Fixed co-pays</b> \$20 Problem-focused Office Visit \$135-\$275 Inlays/Onlays*** \$275-Crowns*** \$360-\$390 Dentures*** \$25-\$95 Adjustments/Repairs***	<b>25% discount off UCR</b> Available for both Children & Adults	Benefits available only at participating dentist and specialist offices No Dollar limit

Services for the 1st year of continuous dental coverage and then graduate to 50% for the 2nd year of continuous dental coverage and it takes time to get on the roster after enrollment. You must be on the roster prior to receiving non-emergency care.

and Provider Directory in one of these states, please call the Assurant ASRS on-site representative at the number listed on the inside back

# Vision Service Plan (VSP) Vision Discount Benefit



VSP Vision Discount

VSP Vision Discount

**Your Assurant Employee Benefits dental plan includes a vision discount benefit through Vision Service Plan (VSP). The vision plan includes examinations at discounted fees and the purchase of eyeglasses, sunglasses and other prescription eyewear at reduced prices when provided by participating Vision Service Plan providers.**

Laser VisionCare is offered at a discount and is available through VSP contracted laser centers.

To access benefits, choose any plan provider from the Vision Service Plan list of providers to schedule an appointment. **To locate the VSP contracted provider closest to you, check the VSP website at [www.vsp.com](http://www.vsp.com). Always take your Assurant dental/vision plan membership card with you.**

You will receive instant savings on eye exams and contact lens exams as well as frames, lenses, lens add-ons, and prescription sun glasses.

There are no claim forms or reimbursement checks. You pay the plan provider the reduced plan fees at the time of service. This plan is NOT insurance.

To receive a VSP provider directory or if you have questions please contact Vision Service Plan at 1-800-877-7195.

# SCRIPTSAVE

AMERICA'S PREMIER PRESCRIPTION SAVINGS PROGRAM

You and your family can receive valuable savings on your prescriptions by using the ScriptSave Prescription Drug Discount Card!



ASRS is pleased to continue to offer prescription savings to retirees through ScriptSave, an Arizona-based prescription savings program. Since 2001, when ASRS began providing the ScriptSave card, **retirees have saved more than \$1.5 million on their prescriptions!**

With ScriptSave you'll receive:

- Average savings of 21%, with potential savings of up to 50%.\*
- Discounts on both brand name and generic prescriptions.
- Access to more than 50,000 participating pharmacies nationwide, including both chain and independent retail pharmacies.
- Savings for everyone in your household.
- Instant discounts at the time of purchase; with no forms to fill out or paperwork to submit, and no limits on usage.

Best of all, the ASRS provides you with a ScriptSave card at **NO COST!**

Whether or not you have a medical insurance plan with the ASRS, you can save with ScriptSave.

If you are enrolled in PacifiCare's Secure Horizons Direct Plan, **use your ScriptSave card** for prescriptions after you have met your annual maximum prescription drug benefit limit.

If you are not enrolled in a medical insurance plan with the ASRS, **use your ScriptSave card** for any prescription you pay for out-of-pocket. Or, if you have other insurance coverage, **use your card** for any prescriptions that are not covered by your insurance.

Also, remember that any member of your household can **use your ScriptSave card** for savings on their prescriptions.

As a ScriptSave cardholder, you can also receive access to free health and wellness information, as well as valuable discounts and coupons on both prescription and over-the-counter medications.

Additionally, ScriptSave's free Value Preferred Program may save you even more. ScriptSave has identified a selection of medications that may offer additional savings and has created a Value Preferred Medications List you can discuss with your healthcare provider.

To find the pharmacy closest to you or if you have lost or misplaced your ScriptSave card, please call ScriptSave Customer Care at 1-800-700-3957. Or, visit ScriptSave's website at [www.scriptsav.com](http://www.scriptsav.com).

\* Based on 2004 national program savings data.

**This program is not an insurance policy and does not provide insurance coverage. Discounts are available exclusively through participating pharmacies.**

# Your Medicare Benefits

In order for a Medicare eligible ASRS retiree to be covered by an ASRS medical plan, the retiree and, if family coverage is elected, his/her eligible dependent(s) who qualify for Medicare, must be enrolled in both Parts A and B of Medicare. Failure to enroll in Medicare when the retiree becomes eligible will cause a delay in ASRS medical care coverage.

This page and the next contain a summary of Medicare coverage and premiums currently in effect for 2005. Changes, if any, for 2006 were not available when this brochure was printed. If you wish additional information contact the Centers for Medicare and Medicaid Services (CMS) either by phone 1-800-633-4227 or at their website at [www.medicare.gov](http://www.medicare.gov).

## MEDICARE PART A: 2005\*

Services	Benefit	Medicare Pays	You Pay
<b>Hospitalization</b> Semiprivate room and board, nursing and other hospital services and supplies.	First 60 days	All costs less \$912	\$912
	61st to 90th day	All costs less \$228/day	\$228/day
	91st to 150th day	All costs less \$456/day	\$456/day
	Beyond 150 days	Nothing	All costs
<b>Skilled Nursing Facility (SNF) Care**</b> Semiprivate room and board, skilled nursing and rehabilitative services and other services and supplies.	First 20 days	100% of approved amount	Nothing
	Additional 80 days	All costs less \$114/day	\$114/day
	Beyond 100 days	Nothing	All costs
<b>Home Health**</b> Part-time skilled nursing, physical therapy, speech-language therapy, home health aide services, durable medical equipment (such as wheelchairs, hospital beds, oxygen, and walkers) and supplies, and other services.	You pay nothing 100% of approved amount for Home Health Care		20% of approved amount for durable medical equipment
	Have questions: Call your Regional Home Health Intermediary. Consult your Medicare booklet.		
<b>Hospice Care**</b> Medical and support services from a Medicare-approved hospice, drugs for symptom control and pain relief, short-term respite care, care in a hospice facility, hospital, or nursing home when necessary, and other services not otherwise covered by Medicare. Home care is also covered.	Copayment of up to \$5 for outpatient prescription drugs. \$5 per day for inpatient respite care (short-term care given to a hospice patient by another caregiver so that the usual caregiver can rest).		
	If you have questions about Hospice care and conditions of coverage, call your Regional Intermediary. Consult your Medicare booklet.		
<b>Blood</b> Given at a hospital or skilled nursing facility during a covered stay.			For the first three pints of blood

\* You pay nothing for Part A of Medicare. You paid for Part A while you were employed and making FICA contributions.

\*\* You must meet certain conditions in order for Medicare to cover these services. Consult your Medicare booklet.

**Note:** Actual amounts *you* must pay are higher if the doctor **does not** accept Medicare assignment.



# Your Medicare Benefits

## MEDICARE PART B: 2005\*

Services	
<b>Medical and Other Services</b> Doctor's services (except for routine physical exams), outpatient medical and surgical services and supplies, diagnostic tests, ambulatory surgery center facility fees for approved procedures, and durable medical equipment (such as wheelchairs, hospital beds, oxygen and walkers).  Also covers outpatient physical and occupational therapy including speech-language therapy and mental health services.	<b>You Pay:</b> \$110 deductible (pay per calendar year). <ul style="list-style-type: none"><li>■ 20% of approved amount after the deductible, except in the outpatient setting.</li><li>■ 20% for all outpatient physical, speech therapy services occupational therapy services.</li><li>■ 50% for most outpatient mental health services.</li></ul>
<b>Clinical Laboratory Service</b> Blood tests, urinalysis and more.	<b>You Pay:</b> Nothing for Medicare-approved services.
<b>Home Health Care**</b> Part-time skilled care, home health aide services, durable medical equipment when supplied by a home health agency while getting Medicare covered home health care and other services.	<b>You Pay:</b> Nothing for services. 20% of approved amount for durable medical equipment.
<b>Outpatient Hospital Services</b> Services for the diagnosis or treatment of an illness or injury.	<b>You Pay:</b> 20% of approved amount after the deductible.
<b>Blood</b> Pints of blood needed as an outpatient or as part of a Part B covered service.	<b>You Pay:</b> For the first 3 pints of blood, then 20% of the approved amount for additional pints of blood after the deductible.

\*For 2005, your monthly Medicare Part B premium is \$78.20.

\*\* You must meet certain conditions in order for Medicare to cover these services. Consult your Medicare booklet.

**Note:** Actual amounts *you* must pay are higher if the doctor **does not** accept Medicare assignment.

Enroll in the **SilverSneakers® Fitness Program** to help promote better health and maintain your independence. SilverSneakers is **available at no additional cost** for all Arizona State Retirement System retired members and dependents enrolled in ASRS medical plan!



### The SilverSneakers Fitness Program

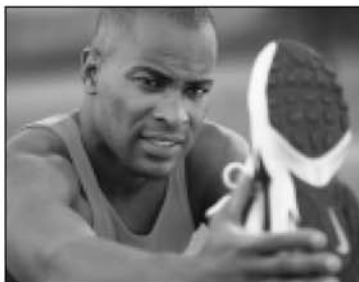
As the nation's leading exercise program designed exclusively for older adults, SilverSneakers includes a basic fitness center membership (*see list on next page*), specialized SilverSneakers classes, Senior Advisor<sup>SM</sup> assistance and much more!

SilverSneakers is available to PacifiCare's Secure Horizons Medicare Advantage, SecureHorizons Direct<sup>SM</sup>, non-Medicare HMO and PPO members and dependents in Coconino, Maricopa, Pima, Pinal, Yavapai, and Yuma counties.

### SilverSneakers Steps



If you live outside the areas listed for the SilverSneakers Fitness Program, increase your physical activity by joining **SilverSneakers® Steps**, a self-directed, pedometer-based walking and exercise program. SilverSneakers Steps empowers you to take responsibility for your own health by providing the tools, equipment, communication, incentives and motivation necessary to help you achieve a healthier lifestyle through increased physical activity.



### NEW!



Members age 50 to 64 can participate in this innovative, exciting program that will help you manage your health and well-being at no additional cost. PRIME includes a basic fitness center membership plus much more to help you look and feel younger!

## Get Fit, Have Fun, Make Friends!

For more information about SilverSneakers, SilverSneakers Steps or PRIME, log on to [www.silversneakers.com](http://www.silversneakers.com).

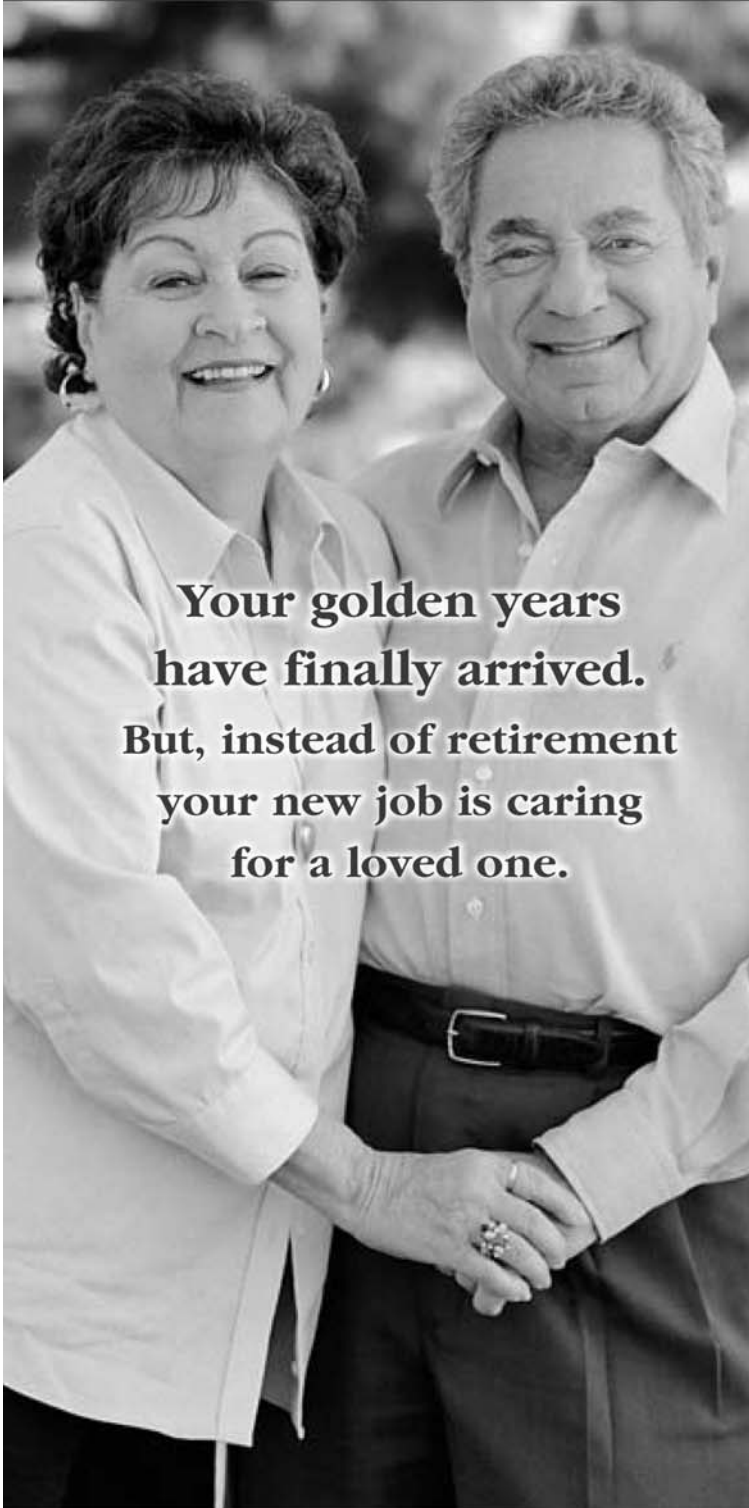
## Activate your membership today at any participating fitness center!

<b>Ahwatukee/Foothills</b> Ahwatukee Foothills YMCA 1030 E. Liberty Ln. 480-759-6762	<b>Glendale (cont.)</b> Glendale/Peoria YMCA 14711 N. 59th Ave. 602-588-9622	<b>Phoenix</b> Chris-Town YMCA 5517 N. 17th Ave. 602-242-7717	<b>Scottsdale</b> Scottsdale Community College Fitness Center 9000 E. Chaparral Rd. 480-423-6604	<b>Tucson (cont.)</b> FitCenter 5555 E. 5th St. 520-571-7000
<b>Apache Junction</b> Saguaro Family Fitness Center 305 N. Plaza Dr. 480-982-7794	<b>Goodyear</b> Infinity Fitness Center 255 N. Litchfield Rd. 623-882-3700	<b>Fitness West</b> 6850 W. Indian School Rd. 623-846-6884	<b>Scottsdale/Paradise</b> Valley YMCA 6869 E. Shea Blvd. 480-951-9622	<b>Gold's Gym</b> Northwest 7315 N. Oracle Rd. 520-297-8000
<b>Casa Grande</b> Casa Grande Fitness & Racquet Club 2080 N. Trekell Rd. 520-836-0613	<b>Southwest Valley</b> Regional YMCA 2919 N. Litchfield Rd. 623-935-5193	<b>Lincoln Family</b> Phoenix Downtown YMCA 350 N. 1st Ave. 602-257-5138	<b>Sun Lakes</b> MaxLife Fitness Program in the Oakwood Health Club 24210 S. Oakwood Blvd. 480-802-6853	<b>Lighthouse/City</b> YMCA 2900 N. Columbus Blvd. 520-795-9725
<b>Chandler</b> Chandler-Gilbert Community College - Pecos Campus 2626 E. Pecos Rd. 480-732-7200	<b>Green Valley</b> FIT - Green Valley 1055 N. La Canada Dr., Ste. 125 520-648-1887	<b>Paradise Valley</b> Community College Fitness Center 18401 N. 32nd St. 602-787-7270	<b>Surprise</b> Fitness One 12851 W. Bell Rd. Ste. 22 623-977-7588	<b>Mid-Valley</b> Athletic Club 140 S. Tucson Blvd. 520-792-3654
<b>Fitness Forum</b> 2130 W. Chandler Blvd. 480-812-0200	<b>Mesa</b> Fitness Works 112 E. McKellips Bldg. 2 480-644-1901	<b>Phantom Horse</b> Athletic Club 7777 S. Pointe Pkwy. 602-431-6484	<b>Tempe</b> Tempe YMCA 7070 S. Rural Rd. 480-730-0240	<b>Northwest</b> Family YMCA 7770 N. Shannon Rd. 520-229-9001
<b>Flagstaff</b> Flagstaff Athletic Club 3200 N. Country Club Dr. 928-526-8652	<b>Fitness Works</b> 6040 E. Brown Rd. 480-807-5080	<b>Phoenix College</b> Fitness Center 1202 W. Thomas Rd. 602-285-7646	<b>Ott Family YMCA</b> 401 S. Prudence 520-885-2317	<b>Tucson Jewish</b> Community Center 3800 E. River Rd. 520-299-3000
<b>Fountain Hills</b> Peaks Fitness 13212 N. Saguaro Blvd. 480-816-3348	<b>Golden's Family</b> Fitness 931 S. Gilbert Rd. 480-497-9989	<b>South Mountain</b> YMCA 222 E. Olympic Dr. 602-276-4246	<b>Tempe</b> Desert Sports & Fitness 2480 N. Pantano Rd. 520-722-6300	<b>Yuma</b> Yuma Family YMCA 2550 S. 4th Ave. 928-317-0522
<b>Glendale</b> Glendale Community College Fitness Center 6000 W. Olive Ave. 623-845-3801	<b>Mesa Family YMCA</b> 207 N. Mesa Dr. 480-969-8166	<b>Prescott</b> Territorial Fitness Club 130 N. Cortez 928-445-0204	<b>Tucson</b> Arizona Swim and Fitness 1290 W. Prince 520-408-2888	
	<b>Red Mountain</b> Multigenerational Center 7550 E. Adobe 480-644-4810	<b>Queen Creek</b> Copper Basin YMCA 28300 N. Main St. 480-882-2242	<b>Desert Sports &amp; Fitness</b> 3672 S. 16th Ave. 520-791-7799	
	<b>Peoria</b> Fitness One 9028 W. Union Hills Dr., Ste. 1 623-376-7888		<b>FIT at the River</b> 4892 N. Stone Ave. Ste. 160 520-690-9299	

Updated: 7/22/05

Fitness centers are subject to change. Log on to [www.silversneakers.com](http://www.silversneakers.com) for current listing.

## A Solution for Caregivers from *PacifiCare*®



**Your golden years  
have finally arrived.  
But, instead of retirement  
your new job is caring  
for a loved one.**

**If you are one of the 44 million  
Americans who is a caregiver,  
where can you turn for help?**

Retirement should mean more time to spend with family and friends. But for some of us, caring for a spouse, parent or other family member can become a full-time job.

If you are caring for an older loved one, you can feel overwhelmed and alone. You can also neglect your own health and well being. Knowing where to turn and how to get help can be a time-consuming and stressful job. Statistics show that two out of three caregivers report significant health problems caused by stress, depression, and exhaustion.

**Now there is a program to help you –  
the caregiver.**

Whether you are the caregiver for a loved one, or someone close to you is a caregiver for you, or you just need assistance for yourself, there is now a program that can provide help.

*A Solution for Caregivers* is a resource provided to you through your employer's group retiree program under PacifiCare. One phone call puts you in touch with caregiving experts who can:

- Understand your loved one's needs and the best way to meet them.
- Prioritize your own needs, responsibilities and concerns.
- Access expert advice and assistance on a timely basis.
- Find the services you need for your family or for yourself.

To find out more information on how *A Solution for Caregivers* can help, just call **1-888-256-6179**, 7:00 a.m. to 7:00 p.m. PST, Monday through Friday.

# A Solution for Caregivers

**Specialized expertise and services for those who need care — and those who provide it.**

## Care Resource Center for Unlimited Telephonic Support

The Care Resource Center is unlimited 24 hours a day, seven days a week toll-free telephonic support with a senior care specialist who can:

- Conduct personalized research into community programs that fit your loved one's needs and financial situation.
- Save you time by identifying and screening services — such as meal delivery, transportation and housekeeping.
- Coach you on how to deal with family issues and the stress of caregiving.
- Connect you to a network of trained Professional Care Managers in all 50 states.
- Refer you to our nationwide network of contracted local Elder Law attorneys.



## Professional Care Managers for In-Person Expert Help

When you need more — we can connect you to our nationwide network of Professional Care Managers who can provide face-to-face expert advice on senior care issues and who can:



- Conduct a needs assessment of your loved one in their home and provide you with a comprehensive care plan.
- Coordinate local services - including community, public and private-sector services.
- Review alternative living facilities so you can compare and make the most informed decision.
- Advise on home accommodations or arrange for in-home support following your or a loved one's discharge from the hospital.

## Elder Law Attorney Counsel and Service

*A Solution for Caregivers* offers access to a nationwide contracting network of Elder Law attorneys who can:

- Provide up to two hours on four topics of free counseling per eligibility year.
- Provide cost-free preparation of up to four each of Simple Wills or Living Wills per eligibility year.
- NEW for 2005 — Prepare up to four of the following documents per eligibility year: Durable Power of Attorney, Healthcare Durable Power of Attorney, Financial Durable Power of Attorney or Healthcare Directive for a \$35 fee per document, paid directly to the contracted Elder Law attorney.



**Help is just a phone call away. Contact us today.**

**For general questions prior to enrollment in Secure Horizons from PacifiCare:**

1-888-256-6179, 7:00 a.m. – 7:00 p.m. PST, Monday through Friday.

**For PacifiCare/Secure Horizons member access to *A Solution for Caregivers*:**

1-866-896-1895, 24 hours a day, 7 days a week.

**For member access with a hearing impaired device:**

1-800-279-9476, 5:00 a.m. – 5:00 p.m. PST, Monday through Friday.

*A Solution for Caregivers is offered by SeniorCo, Inc., a subsidiary of PacifiCare Health Systems, Inc. This is not an insurance or managed care product and fees or charges for services above and beyond those defined in the program materials are the member's responsibility.*

# Pension Checks

Don't forget to verify your January, 2006 pension check for the correct premium for the coverage(s) you elected. If you feel that your pension check is not accurate, you must notify ASRS or, if applicable, PSPRS Member Services

within 30 days of your pension check change. **Changes or additions requested beyond 30 days will only be allowed if there is a Qualifying Event (see pages 9-10).**

## Your Pension Check, Health Insurance Premiums, and Premium Benefits

If you are an ASRS retiree, you may believe that the ASRS is charging the full cost of health insurance because your pension check Payment Summary shows the full cost of health care plan premiums under the "Deductions" column.

However, under the "Payments" column of your pension check Payment Summary, please note the inclusion of additional monies reflected in the PREM BEN (basic premium benefit) and, if

applicable, NONSRVPB (non-service area premium benefit or rural subsidy). These two amounts are the premium benefits to which you may be entitled and they offset or reduce the full monthly medical and/or dental premiums you pay.

Though the total premium for health insurance is shown **you are only paying the net premium after the premium benefit(s) is applied.**





# Glossary

**Allowable Amount** Term used by some health care plans (both medical and dental plans) to determine the amount of the Billed Charge which would be considered Usual, Customary, and Reasonable. (See page 50 for definition.) Term may also be known as the allowable charge.

**Balance Billing** Billing a patient for the difference between the dentist's actual charge and the amount allowed or paid by the patient's dental benefits plan. Balance billing is not allowed with a participating DHA dental provider contracted with the Assurant Dental Plan.

**Billed Charge** The amount the provider bills for services rendered.

**Coinsurance** The percent of the allowable amount to be paid by the insurance company and the patient; i.e., 60/40 or 80/20. (The first percentage is paid by the company; 60 or 80.)

**Copayment** The fixed fee that must be paid to the provider at the time services are provided, such as the pharmacy for a prescription.

**Deductible** The initial amount the patient must pay out of their pocket for covered services before benefits are payable by the insurance carrier.

**Emergency** Defined by each plan in accordance with their standard definitions.

**Health Maintenance Organization (HMO)** A medical plan providing comprehensive medical benefits, including preventive care, when you agree to use a select group of network providers. Generally, all care is directed by your chosen Primary Care Physician (PCP). Your PCP will refer you to a specialist if medically appropriate.

**Indemnity Dental Plan** A dental plan that allows you to choose any eligible licensed provider in the United States to receive care. Members and dentists are reimbursed for eligible dental expenses according to the benefit schedule in effect, allowing for deductibles and coinsurance.

**Indemnity Medical Plan** A medical plan that allows you to choose any eligible licensed provider to receive care. Members are reimbursed for eligible medical expenses according to the benefit schedule in effect, allowing for deductibles and coinsurance.

**In-Network** Services provided by a contracted provider in accordance with all plan requirements.

**Medicaid** A state-run health insurance program designed primarily to help those with low income and little or no resources. The federal government helps pay for Medicaid, but each state has its own rules about who is eligible and what is covered under Medicaid. Some people qualify for both Medicare and Medicaid.

**Medicare** Our country's health insurance program for people age 65 or older, certain people with disabilities who are under age 65 and people of any age who have permanent kidney failure. It provides basic protection against the cost of health care, but it doesn't cover all medical expenses or the cost of most long-term care.

Medicare is financed by a portion of Federal Insurance Contributions Act (FICA) taxes, or payroll taxes, paid by workers and their employers. It also is financed in part by monthly premiums paid by beneficiaries.

The Centers for Medicare and Medicaid Services (CMS) is the federal agency responsible for managing both Medicare and Medicaid.

# Glossary Continued...

There are two parts of Medicare. They are:

- **Hospital Insurance** (also called Medicare “Part A”), which helps pay for care in a hospital and skilled nursing facility, home health care and hospice care;
- **Medical Insurance** (also called Medicare “Part B”), which helps pay for doctors, outpatient hospital care and other medical services. Medicare requires that you pay a monthly premium for the Part B coverage.

**Medicare Advantage Plan** A health maintenance organization (HMO) plan authorized by the Centers for Medicare and Medicaid Services (CMS), the federal agency in charge of these programs, to become the member’s Medicare provider. Members must maintain Parts A and B of Medicare while enrolled in the Medicare Advantage Plan. Generally, the plan provides prescription and other benefits beyond Medicare Parts A and B coverage.

**Non-Participating Provider** A provider with no contractual limitation on what he/she may bill and thus may practice balance-billing, as well as require payment at the time services are rendered.

**Participating Dental Specialist** A specialized provider, such as an endodontist, periodontist, or oral surgeon, with a contractual limitation on what he/she bill the patient for services covered by the prepaid dental plan.

**Pre-Estimate of Benefits (Indemnity Dental plan only)** Whenever the estimated cost of a recommended Dental Treatment Plan exceeds \$300, the treatment plan should be submitted to the insurance carrier for review. This permits the carrier to review the treatment plan for alternative treatment procedures, which may be less costly, provided they do not affect the quality of care. The member knows in advance what his/her financial

responsibility for the treatment will be prior to the actual services being performed.

**Preferred Provider** A provider who has signed an agreement with the insurance carrier not to charge that carrier’s members more than the insurer’s Allowable Amount.

**Precertification Review** A process that verifies the medical necessity and appropriateness of proposed services or supplies.

**Pre-Existing Condition** is any illness or injury (whether physical or mental) regardless of its cause, for which medical advice, diagnosis, care, or treatment including prescription medications were recommended, received, or taken within the six (6) month period immediately preceding the date your ASRS coverage begins. If it is determined that you or any of your covered dependents have a pre-existing condition, no expenses related to that pre-existing condition will be covered by the ASRS medical plan before twelve (12) consecutive months of coverage have elapsed.

## **Preferred Provider Organization (PPO)**

**Plan** A plan that provides benefits in an indemnity fashion, but pays a higher percentage of the cost of services if patients use a PPO-network provider than if they use non-PPO providers. **If you go to a provider who is a member of the PPO network**, after you first satisfy a deductible, the plan generally pays 80 percent of the cost for care and you pay 20 percent. **If you go to a provider who is not a member of the PPO network**, after you first satisfy a deductible, the plan generally pays 60 percent of the cost for care and you pay 40 percent.

# Glossary Continued...

**Prepaid Dental Plan** A dental plan that allows reduced payment for dental services from members who agree to use dentists in the plan's provider network. Generally, dental care is provided through your chosen general dentist. Preventive services sought in accordance with the plan's schedule of benefits are generally provided at no cost or low cost to the member. Members pay according to a set schedule for restorative services. Certain major restorative services may be provided by a specialized dentist at a higher cost to the member.

**Primary Care Physician (PCP)** The physician responsible in an HMO plan for directing all patient care including referrals to specialists and obtaining necessary pre-certifications. This physician is a General Practice, Family Practice, Pediatric or Internal Medicine specialist. Women can self-refer to an in-network OB/GYN.

**Prophylaxis** A routine cleaning procedure that includes light scraping (scaling) of the teeth to remove plaque and calculus/tartar. This procedure should be performed at least every six months.

**Rehabilitation** Usually physical therapy, speech therapy and/or occupational therapy.

**Secure Horizons Disenrollment Form** must be completed and signed by all Medicare eligible retirees and/or dependents who are currently enrolled in a Medicare Advantage Plan or the Secure Horizons Direct Plan and who are dropping that coverage to return to traditional Medicare. This form requests that your health care coverage revert back to the traditional Medicare fee-for-service program. The effective date will be the first day of the month following receipt of the Disenrollment Form, unless a future date is requested.

**Specialty Benefit Amendment** A special amendment added to the pre-paid dental plan's Schedule of Benefits that allows patients to receive select major dental services from Assurant contracted specialists for a specific copayment, available to Arizona residents only.

**Statement of Understanding (SOU)** If you are enrolling in the Medicare Advantage Plan or the Secure Horizons Direct Plan, you are required to sign and submit a Statement of Understanding along with your 2006 Enrollment Form. This is a federal government requirement mandated by the Centers for Medicare and Medicaid Services (CMS), the federal agency responsible for these programs. The SOU summarizes the fundamental terms and conditions of your coverage. For the Medicare Advantage Plan, the SOU explains that, with the exception of emergency or out-of-area urgently needed care, services must be provided by your Primary Care Physician (PCP) or other PacifiCare contracted providers. If you receive services or treatments without precertification from PacifiCare's contracted providers, the cost of those services or treatments would not be reimbursed by PacifiCare or Medicare. For the Secure Horizons Direct Plan, the SOU explains under what circumstances a physician who does not accept Medicare may charge an amount up to 15% above the Medicare Allowable Charge (MAC). It would be your responsibility for amounts above the MAC. It is important that you show your Secure Horizons Direct Plan ID card to the provider before receiving services.

# Glossary Continued...

**Usual, Customary and Reasonable (UCR)** A charge which is based on the general level of charges made by other providers in the area for like treatment, procedures, services, and or supplies, also known as the Allowable Amount or allowable charge. The insurance carrier's determination of the UCR is final for the purpose of determining benefits payable under the insurance carrier's policy.

## Frequently Asked Questions

1. *If I don't enroll by the October 28, 2005 deadline, what will happen?*

If you wish, or are required, to make a plan change and you fail to submit your completed Enrollment Form by the close date, your election(s) will not become effective. Consequently, you **will not have the coverage you wanted and needed** beginning January 1, 2006.

2. *Can't I just enroll in the medical plan (or dental plan) I want on the Enrollment Form without having to complete the dental plan (or medical plan) portion because I'm not changing that coverage?*

**Please read this!** Complete the Enrollment Form in its entirety. Even if you are only changing from one medical plan to another medical plan or from one dental plan to another dental plan, fill out the form completely. Be thorough. If, in fact, you are declining coverage for 2006, please check the appropriate box(es) at the top of the Enrollment Form. A properly completed Enrollment Form must be received by the ASRS or, if applicable, PSPRS, or be postmarked no later than midnight, Friday, October 28, 2005.

3. *Do I qualify for the temporary "non-service area" premium benefit?*

Determination of eligibility for the temporary, additional premium benefit requires that an enrolled Medicare eligible retired member reside in an area **within this state** in which a health maintenance organization (HMO) does not provide a contracted physician network available to serve the medical needs of its subscribers. If your primary residence is in a "non-service area," then you and, possibly, your eligible enrolled dependents, may be eligible for this additional premium benefit or rural subsidy. Under current legislation, this additional premium benefit is scheduled to expire on June 30, 2007.

4. *What is the best way to determine which medical plan is right for me?*

There's a lot to consider. The key is for you to look at your own situation, study what the plans offer, and their corresponding premiums, where the plans offer coverage (i.e., in which AZ county or out-of-state), and decide what is best for you.

# Frequently Asked Questions Continued...

**5. *Both my spouse and I are ASRS retirees. What are our enrollment options?***

The ASRS Premium Benefit Program provides the greater of 2 single premium benefits or 1 family premium benefit to each retiree. Such retirees can receive the greatest application of the premium benefit program with one retiree enrolling in a medical plan choosing family coverage and with the other retiree enrolling in a dental plan choosing family coverage.

**6. *My current coverage will continue to be provided by my Participating Employer. What do I need to do?***

Some employers do not permit retirees to continue health insurance coverage at retirement. Other employers allow retirees coverage for a specific period of time. Review with your Participating Employer continuing eligibility. If you continue health insurance with your employer, complete a health insurance application with them. It is important you know how long you may continue coverage with your Participating Employer.

**Once you drop your Participating Employer's health insurance coverage, you may not be eligible to return to their plan.** (NOTE: You are eligible to enroll in ASRS health insurance at the time of retirement, during open enrollment, or if you have a qualifying event.)

**7. *What should I do if my spouse has benefits through another employer?***

Coordinate your coverages. Study what your spouse has, then decide which ASRS retiree health insurance options provide you with the most appropriate overall coverage. It is usually best to pick coverage that complements, not duplicates, the other coverage.

**8. *What restrictions are applicable to non-Medicare eligible retirees and dependents who live in "rural" Arizona for enrollment in PacifiCare's non-Medicare HMO medical plans?***

Non-Medicare eligible retirees and dependents who live in "rural" Arizona may enroll in PacifiCare's Health Maintenance Organization (HMO) medical plan provided the member understands and agrees that:

- All medical services are rendered and received at an office or facility within the chosen HMO service area and designated or referred by the HMO, and
- All non-emergency and/or non-urgent travel, ambulatory and other expenses incurred by the member from the residence area of the member to the designated office or facility designated or referred by the HMO are the responsibility of and at the expense of the member. These expenses will not be reimbursed by PacifiCare.



# Frequently Asked Questions Continued...

9. *I'm enrolling for family coverage in the HMO. May I select one Primary Care Physician (PCP) for my whole family?*

While you may select one PCP for your whole family, you may want to choose different PCPs for each family member. Each covered family member may have his or her own PCP. You will need to record a PCP for each covered family member, even if you all use the same one, on the Enrollment Form in the "listing of eligible individuals to be enrolled" section near the bottom of the form.

10. *If I am enrolled in PacifiCare's HMO Plan or in the Medicare Advantage Plan, I must choose a Primary Care Physician (PCP). What kind of doctors are available from which to choose when selecting a PCP?*

Your medical plan PCP is responsible for coordinating all of your medical care, including referrals to specialists and obtaining necessary prior authorizations. PCPs are Family Practice, General Practice, Internal Medicine or Pediatric Physicians. Women may self-refer to an in-network OB/GYN.

11. *How can I get a directory of PacifiCare providers?*

Contact PacifiCare at 1-800-347-8600 or access their website at [www.pacificare.com](http://www.pacificare.com). Please specify the PPO or HMO provider directory you wish to receive. Please remember that a copy of a provider directory is only accurate as of the date it was printed. Updated directories are on-line. You may call the physician you wish to select to verify their participation and availability. Also, you may call PacifiCare to learn of physicians in your area who may be new to the network or who may be accepting new patients.

12. *I'm enrolling for family coverage in the Assurant Prepaid Dental Plan. Can I select a General Dentist for my whole family?*

**Prepaid Dental:** While you may select one General Dentist for everyone, you may want to choose a different General Dentist for each family member. Each covered family member can have his or her own General Dentist.

# Frequently Asked Questions Continued...

## **13. What kind of dentist may I choose when selecting a General Dentist?**

**Prepaid Dental:** With your Assurant prepaid dental plan, you need to select a General Dentist from the list of contracted providers. Simply choose a provider from the provider directory and list the dentist ID# on your Enrollment Form. To get a directory, please call the Assurant ASRS on-site representative at the number listed on the inside back cover of this brochure.

**Indemnity Dental:** With your Assurant indemnity dental plan, you have complete freedom-of-choice in dental providers. You have access to any eligible licensed general dentist or specialist in the United States. Assurant strongly suggests that whenever the cost of any recommended dental care exceeds \$300, a dental treatment plan be submitted for review before treatment begins. This pre-estimate of benefits will inform you of your out-of-pocket costs.

## **14. How do I change my General Dentist?**

**Prepaid Dental:** Call Assurant at 1-800-443-2995 to change General Dentists. Requests must be received by the 20th day of the month to be effective the 1st day of the following month. Requests received after the 20th of the month will be effective on the 1st day of the 2nd month. Remember, if you would like to change your General Dentist, you must contact Assurant before making an appointment with your new General Dentist.

**Indemnity Dental:** The plan provides complete freedom-of-choice in providers. No selection is necessary.

## **15. How do I use my General Dentist?**

**Prepaid Dental:** Your General Dentist is responsible for maintaining your dental health. Should you need a specialist (periodontics, endodontics, oral surgery, orthodontia), you may self-refer for dental care. You are encouraged to discuss all your dental health needs with your General Dentist. He/she will be happy to work with you to assure you understand your dental health needs. Assurant's provider directory lists all dental providers. The contracted providers are credentialed by Assurant provider relations staff to assure they meet corporate standards.

**Indemnity Dental:** You have access to dental care from any eligible licensed dentist or specialist in the United States. However, you may use Assurant's Dental Health Alliance (DHA) contracted providers to receive additional savings on all your dental treatment and services. Participating DHA dentists will discount their fees to a maximum of 20%.

Call 1-800-985-9895 or visit the Assurant special website at [www.dha.com](http://www.dha.com) to locate a contracted provider near you.

# Frequently Asked Questions Continued...

**16. *What is the procedure if I need to see a Specialist?***

**Prepaid Dental:** You do not need a referral from your General Dentist to see a participating dental specialist. Contracted dental specialists are listed in the Assurant provider directory alphabetically by city and specialty, e.g. (endodontics, oral surgery, periodontics) The contracted specialist will charge you the specialty care copayments listed on your Schedule of Benefits. For services not listed on the Schedule of Benefits, the specialist will offer a 25% discount (15% for endodontic care) off their usual and customary charge (UCR). Benefits for specialty care are not available from non-contracted dentists. Orthodontic care is offered to adults and children at a 25% discount from the dentist's UCR fee.

**Indemnity Dental:** You have access to dental care from any eligible licensed dentist or specialist in the United States. However, you may use Assurant's Dental Health Alliance (DHA) contracted providers to receive additional savings on all your dental treatment and services. Participating DHA dentists will discount their fees to a maximum of 20%.

Call 1-800-985-9895 or visit the Assurant special website at [www.dha.com](http://www.dha.com) to locate a contracted provider near you.

**17. *How much and when do I have to pay for my dental visit?***

**Prepaid Dental:** You will be charged according to your Schedule of Benefits on the Prepaid Dental Plan. Please discuss all charges with your General Dentist before the services are performed. Payment for dental services is due at the time treatment is rendered. Dental services not listed on your Schedule of Benefits are NOT covered.

**Indemnity Dental:** Most dentists will file your dental claims for you and charge you your coinsurance and any deductible that may apply. You will receive an Explanation of Benefits after Assurant pays the claim which will show you what benefits have been covered and the amount for which you are responsible.

**18. *What is an emergency/problem focused dental exam?***

It is a dental exam, other than an initial or periodic exam, which is limited to a specific oral health problem. For the prepaid plan only, dental appointments are on an availability only basis and at a \$20 copayment fee.

# Frequently Asked Questions Continued...

**19. *How can I get a directory of Assurant dental providers?***

**Prepaid Dental:** Call 1-800-443-2995 or access the Assurant website at [www.assurantemployeebenefits.com](http://www.assurantemployeebenefits.com).

**Indemnity Dental:** You have access to dental care from any eligible licensed dentist or specialist in the United States. However, you may use Assurant's Dental Health Alliance (DHA) contracted providers to receive additional savings on all your dental treatment and services. Call 1-800-985-9895 or visit Assurant's special website at [www.dha.com](http://www.dha.com) to locate a contracted provider near you.

**20. *What should I tell my dependent beneficiary to do about my pension benefits and health insurance coverage in the event of my death?***

There is no quick or simple answer. Your dependent beneficiary is encouraged to contact ASRS Member Services or PSPRS Member Services Staff, if applicable, at the time of your death. Decisions will have to be made regarding continuation of pension benefits if you elected a pension option other than straight life annuity. Likewise, continuation of or enrollment in an ASRS retiree health care plan by your beneficiary must be decided within six (6) months of your death. Also, if you elected a reduced premium benefit, your beneficiary may be entitled to a continuation of that benefit. Your beneficiary will need to provide certified copies of your death certificate to affect any change in your pension or health insurance benefits.

**21. *How long may I cover my dependents on my health insurance plan(s)?***

You may provide coverage to your lawful spouse and unmarried children (natural born, legally adopted, placed for adoption, legal guardian status) who reside with you on a permanent basis and depend on you for support and maintenance.

Dependent children are covered through the end of the month of their 19th birthday unless they meet the student status criteria. An unmarried dependent who is registered on a full-time basis (at least twelve (12) semester units) at an accredited school or college may continue as an eligible dependent through the end of the month of their 25th birthday, if proof of such status is provided on a periodic basis.

Coverage for disabled dependent children may continue provided the unmarried dependent lives with you, is incapable of self-sustaining employment by reason of physical handicap or mental retardation, is chiefly dependent on you for support and maintenance, and the mental or physical condition existed continuously prior to reaching the respective limiting age.

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## MEMORANDUM

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TO: ASRS Senior Supplement Plan Members  
FROM: Arizona State Retirement System (ASRS)  
PacifiCare Health Systems  
SUBJECT: SecureHorizons Direct<sup>SM</sup>

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As part of our continuing effort to provide you the best value in healthcare benefits, we are pleased to announce some exciting news for you as an ASRS retiree. ASRS is implementing a new benefit plan design for ASRS retirees currently enrolled on the PacifiCare Senior Supplement Plan. As of January 1, 2006, current Senior Supplement Insureds will be automatically enrolled in SecureHorizons Direct<sup>SM</sup>. You will not need to complete any paperwork; your benefits will transition electronically.

SecureHorizons Direct<sup>SM</sup> is a Medicare Advantage Private Fee-For-Service Plan offered by PacifiCare Life and Health Insurance Company, which contracts with the federal government. Together, PacifiCare and ASRS have designed a SecureHorizons Direct<sup>SM</sup> plan that will mirror your current benefits under Senior Supplement. This means:

- You will continue to receive your current level of medical and vision benefits.
- You may continue to see your current physician(s).
- Your prescription drug benefit is better! Your copayments will remain at \$10/\$20 however; the maximum benefit is being increased from \$2,000 to \$2,250. In addition to this increase, catastrophic prescription drug coverage has been added. After you have met \$5,000 of out-of-pocket prescription drug expenses, PacifiCare will then pay 95% of your prescription medications for the remainder of the calendar year.
- And, the SilverSneakers and Solutions for Caregivers programs will be included too!

The SecureHorizons Direct<sup>SM</sup> plan operates very much like your Senior Supplement Plan. For example, SecureHorizons Direct<sup>SM</sup> gives you controlled costs and the freedom to see any doctor or hospital you want that accepts Medicare. So that means you have the ability to keep your current doctor. If you currently see a doctor or use a hospital that does not accept Medicare assignment, you may still see that doctor, and use that hospital, but instead of up to 15% overage maximum that you would be responsible to pay under the Senior Supplement Plan, SecureHorizons Direct<sup>SM</sup> charges will be held to a maximum of up to 13%.

Some of the subtle differences between Senior Supplement and SecureHorizons Direct<sup>SM</sup> should be seamless for you. With Senior Supplement, PacifiCare acts as the secondary payer to Medicare, with Medicare picking up the first 80% of approved Medicare charges. With SecureHorizons Direct<sup>SM</sup>, PacifiCare will now be the Primary and Secondary payer and will be responsible for providing all of your medical benefits.

*(Continued on the next page)*

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## MEMORANDUM CONTINUED

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Once you are enrolled in SecureHorizons Direct<sup>SM</sup>, you will receive a post-enrollment kit including your new SecureHorizons Direct<sup>SM</sup> ID card, Evidence of Coverage (EOC) and a detailed Schedule of Benefits. Please review this information carefully so you understand what is covered and how the SecureHorizons Direct<sup>SM</sup> plan works.

You will also be receiving a separate ID card for your pharmacy benefits. Because SecureHorizons Direct<sup>SM</sup> offers medical coverage only, ASRS will be providing a separate pharmacy benefit for you. Just as today, pharmacy benefits will continue to be provided through Prescription Solutions, a wholly-owned subsidiary of PacifiCare.

Please replace your old Senior Supplement Plan ID Card with these new cards, once you receive them. Then, please use your new SecureHorizons Direct<sup>SM</sup> ID Card whenever you visit your doctor or hospital and your new prescription drug ID card whenever you visit your pharmacist. Before the transition, PacifiCare will be sending educational letters to doctors you have recently seen, informing them of your new SecureHorizons Direct<sup>SM</sup> plan so you will not need to contact them until your next visit.

We are confident that SecureHorizons Direct<sup>SM</sup> will provide you with quality healthcare coverage and are proud to offer to you this new plan with expanded prescription drug coverage.

# Telephone Numbers & Websites

## For Retirees, LTD Recipients, and Eligible Dependents

*Remember when calling the insurance carriers, tell them you are an ASRS member.*

Carrier	Member Services	Internet Address
<b>Medical Provider</b>		
PacifiCare of Arizona		www.pacificare.com
Weekdays 7am – 8pm MST		
HMO Plans	1-800-347-8600	
PPO Plan	1-866-316-9776	
Indemnity Plan	1-866-316-9776	
Secure Horizons Direct	1-800-643-2430 (October 1 - December 31)	
Weekdays 8am – 8pm EST	1-866-525-6437 (effective January 1, 2006)	
ASRS retirees should call		
ASRS On-Site Representatives		
Weekdays 8am – 5pm MST	1-602-240-2000 (Phoenix area)	
	1-520-239-3100 (Tucson area)	
	1-800-621-3778 (Out of area)	
<b>Dental Provider</b>		
Assurant Employee Benefits		www.assurantemployeebenefits.com
Weekdays 7am – 5pm CST		
Indemnity Dental Claims	1-800-442-7742	
PPO Dental Providers (DHA)	1-800-985-9895	www.dha.com
Pre-Paid Dental	1-800-443-2995	
Vision Discount Services	1-800-877-7195	www.vsp.com
ASRS retirees should call		
ASRS On-Site Representative	1-602-240-2000, ext. 2032	
Weekdays 8am – 5pm MST	1-520-239-3100, ext. 2032	
	1-800-621-3778, ext. 2032	
<b>Prescription Discount Card</b>		
ScriptSave	1-800-700-3957	www.scriptsav.com
Weekdays 9am – 8pm EST		
Saturday 10am – 3pm EST		
<b>ASRS Member Services</b>		
Phoenix Area	1-602-240-2000	www.asrs.state.az.us
Tucson Area	1-520-239-3100	
Out-of-Area	1-800-621-3778	
TTY Users	1-602-240-5333	
Weekdays 8am – 5pm MST		
<b>PSPRS, CORP and EORP Benefits Office</b>		
Weekdays 8am – 5pm MST	1-602-255-5575	www.psprs.com
<b>ADOA Benefits Office</b>		
Weekdays 8am – 5pm MST	1-602-542-5008	www.benefitoptions.az.gov
	1-800-304-3687	
<b>Other Helpful Numbers and Websites</b>		
Social Security	1-800-772-1213	www.ssa.gov
Medicare	1-800-633-4227	www.medicare.gov

## Arizona State Retirement System

Member Services Division  
3300 North Central Avenue  
Phoenix, AZ 85012

Member Services Division  
7660 E. Broadway Blvd., Ste 108  
Tucson, AZ 85710